

## Cabinet

Tuesday 17 March 2015

4.00 pm

Ground Floor Meeting Room GO2A, 160 Tooley Street, London  
SE1 2QH

### Membership

Councillor Peter John  
Councillor Ian Wingfield

Councillor Fiona Colley  
Councillor Dora Dixon-Fyle MBE  
Councillor Barrie Hargrove  
Councillor Richard Livingstone  
Councillor Darren Merrill

Councillor Victoria Mills  
Councillor Michael Situ

Councillor Mark Williams

### Portfolio

Leader of the Council  
Deputy Leader and Cabinet Member for  
Communities, Employment and Business  
Finance, Strategy and Performance  
Adult Care, Arts and Culture  
Public Health, Parks and Leisure  
Housing  
Environment, Recycling, Community Safety and  
Volunteering  
Children and Schools  
Environment, Recycling, Community Safety and  
Volunteering  
Regeneration, Planning and Transport

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## INFORMATION FOR MEMBERS OF THE PUBLIC

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### Contact

Virginia Wynn-Jones 020 7525 7055 or Paula Thornton 020 7525 4395  
Or email: [virginia.wynn-jones@southwark.gov.uk](mailto:virginia.wynn-jones@southwark.gov.uk); [paula.thornton@southwark.gov.uk](mailto:paula.thornton@southwark.gov.uk)

Members of the committee are summoned to attend this meeting

**Councillor Peter John**

Leader of the Council

Date: 9 March 2015



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# Cabinet

Tuesday 17 March 2015

4.00 pm

Ground Floor Meeting Room GO2A, 160 Tooley Street, London SE1 2QH

## Order of Business

Item No.	Title	Page No.
	<b>PART A - OPEN BUSINESS</b>	
	<b>MOBILE PHONES</b>	
	Mobile phones should be turned off or put on silent during the course of the meeting.	
<b>1.</b>	<b>APOLOGIES</b>	
	To receive any apologies for absence.	
<b>2.</b>	<b>NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT</b>	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
<b>3.</b>	<b>NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED</b>	1 - 3
	To note the items specified which will be considered in the closed part of the meeting.	
<b>4.</b>	<b>DISCLOSURE OF INTERESTS AND DISPENSATIONS</b>	
	Members to declare any interests and dispensations in respect of any item of business to be considered at this meeting.	
<b>5.</b>	<b>PUBLIC QUESTION TIME (15 MINUTES)</b>	
	To receive any questions from members of the public which have been submitted in advance of the meeting in accordance with the cabinet procedure rules.	

<b>Item No.</b>	<b>Title</b>	<b>Page No.</b>
<b>6.</b>	<b>MINUTES</b>	4 - 12
	To approve as a correct record the minutes of the open section of the meeting held on 10 February 2015.	
<b>7.</b>	<b>DEPUTATION REQUESTS</b>	
	To consider any deputation requests.	
<b>8.</b>	<b>SOUTHWARK AND LAMBETH CHILDCARE COMMISSION: REPORT AND RECOMMENDATIONS</b>	13 - 50
	To receive the report and note the recommendations of the Southwark and Lambeth Childcare Commission.	
<b>9.</b>	<b>AGE-FRIENDLY SOUTHWARK</b>	51 - 73
	To agree to hold a borough-wide community conversation on making Southwark an age-friendly borough.	
<b>10.</b>	<b>ELECTORAL REVIEW OF SOUTHWARK</b>	74 - 79
	To note that the Local Government Boundary Commission for England will conduct a review of the electoral boundaries and composition of Southwark Council and to agree to establish an electoral review working group.	
<b>11.</b>	<b>DOMESTIC ABUSE STRATEGY</b>	80 - 87
	To approve the domestic abuse strategy.	
<b>12.</b>	<b>AYLESBURY REGENERATION PROGRAMME UPDATE</b>	88 - 103
	To note the update and progress report of the work carried out under the Aylesbury Development Partnership Agreement entered into in April 2014 by the council and its development partner.	
<b>13.</b>	<b>COMMUNITY INFRASTRUCTURE LEVY AND SECTION 106 PLANNING OBLIGATIONS AND COMMUNITY INFRASTRUCTURE LEVY SUPPLEMENTARY PLANNING DOCUMENT</b>	104 - 128
	To recommend that council assembly consider the examiner's report on the Southwark Community Infrastructure Levy (CIL). To also recommend that council assembly approve the Southwark CIL and bring into effect on 1 April 2015 and approve Southwark's "Regulation 123 List".	

Item No.	Title	Page No.
14.	<b>DETERMINATION OF PRIMARY SCHOOL EXPANSIONS - PERMANENT ENLARGEMENT OF CHERRY GARDEN SCHOOL, AND PHOENIX, BELLENDEN, IVYDALE, ROBERT BROWNING, AND KEYWORTH PRIMARY SCHOOLS</b>	129 - 148
	To note the outcome of the consultation on the proposed enlargements of Cherry Garden School, and Phoenix, Bellenden, Ivydale, Robert Browning and Keyworth Primary schools.	
	To agree to the enlargement of Phoenix, Bellenden, Ivydale, Robert Browning, and Keyworth Primary Schools from 1 September 2016 and the enlargement and relocation of Cherry Garden school relocation on a new site from September 2017 onwards.	
15.	<b>GATEWAY 1 - HOME CARE PROCUREMENT STRATEGY</b>	149 - 168
	To approve a procurement strategy to undertake a competitive tender to re-commission home care services to establish a series of demand led, geographically based contracts aligned to the development of neighbourhood working and local care networks.	
16.	<b>GATEWAY 2 - REABLEMENT SERVICE CONTRACT AWARD APPROVAL</b>	169 - 187
	To note the limited response to the reablement tender and to agree to cease the procurement and not to award the contracts.	
17.	<b>GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL: MANAGEMENT OF THE COUNCIL'S LEISURE FACILITIES</b>	188 - 208
	To approve the procurement strategy for the tender for the management of the council's leisure services.	
18.	<b>GATEWAY 1 - PROCUREMENT STRATEGY: PARKS GROUNDS MAINTENANCE CONTRACT</b>	209 - 228
	To approve the strategy for the parks grounds maintenance contract.	
19.	<b>GATEWAY TO PECKHAM PROJECT UPDATE AND APPROVAL OF THE MAKING OF AN APPLICATION TO THE SECRETARY OF STATE FOR A COMPULSORY PURCHASE ORDER TO ACQUIRE THE PROPERTY INTERESTS WITHIN THE REVISED PROJECT BOUNDARY</b>	229 - 245
	To approve a compulsory purchase order and authorise a number of actions for the direction of regeneration.	

Item No.	Title	Page No.
20.	<b>MOTIONS REFERRED FROM COUNCIL ASSEMBLY</b>	246 - 261

To consider motions on the following:

- Traffic and transport including cycling and public transport
- A fair deal for tenants and leaseholders
- Campaign against the high stake gambling machines
- Towns against tax dodging
- Healthy and active communities
- Tackling empty homes in Southwark
- Local government devolution
- HIV testing.

**OTHER ITEMS**

The following item has been scheduled for consideration at this meeting:

**21. REVIEW OF THE VOLUNTARY REDUNDANCY OFFER**

**DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING**

**EXCLUSION OF PRESS AND PUBLIC**

The following items are included on the closed section of the agenda. The Proper Officer has decided that the papers should not be circulated to the press and public since they reveal confidential or exempt information as specified in paragraphs 1-7, Access to Information Procedure Rules of the Constitution. The specific paragraph is indicated in the case of exempt information.

The following motion should be moved, seconded and approved if the cabinet wishes to exclude the press and public to deal with reports revealing exempt information:

“That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1-7, Access to Information Procedure Rules of the Constitution.”

**PART B - CLOSED BUSINESS**

**22. MINUTES**

To approve as a correct record the minutes of the closed section of the meeting held on 10 February 2015.

<b>Item No.</b>	<b>Title</b>	<b>Page No.</b>
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- 23. GATEWAY 2 - REABLEMENT SERVICE CONTRACT AWARD APPROVAL**
  
- 24. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL: MANAGEMENT OF THE COUNCIL'S LEISURE FACILITIES**
  
- 25. GATEWAY 1 - PROCUREMENT STRATEGY: PARKS GROUNDS MAINTENANCE CONTRACT**
  
- 26. GATEWAY TO PECKHAM PROJECT UPDATE AND APPROVAL OF THE MAKING OF AN APPLICATION TO THE SECRETARY OF STATE FOR A COMPULSORY PURCHASE ORDER TO ACQUIRE THE PROPERTY INTERESTS WITHIN THE REVISED PROJECT BOUNDARY**

**DISCUSSION OF ANY OTHER CLOSED ITEMS AS NOTIFIED AT THE START OF THE MEETING AND ACCEPTED BY THE CHAIR AS URGENT**

Date: 9 March 2015

## **Notice of Intention to conduct business in a closed meeting, and any representations received**

### **Cabinet 17 March 2015**

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require that the council give a 28 notice period for items to be considered in private/closed session. This has been implemented through the publication of the council's forward plan.

The council is also required under these arrangements to give a further five days notice of its intention to hold the meeting or part of the meeting in private/closed session and give details of any representations received in respect of the private meeting.

This notice issued in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 is to confirm that the cabinet meeting to be held on 17 March 2015 at 4.00pm, Council offices, 160 Tooley Street, London SE1 2QH will be held partly in closed session for consideration of the following items listed on the agenda:

- Item 23:** Gateway 2 - Reablement Service Contract Award Approval
- Item 24:** Gateway 1 - Procurement Strategy Approval: Management of the Council's Leisure Facilities
- Item 25:** Gateway 1 - Procurement Strategy: Parks Grounds Maintenance Contract

The proper officer has decided that the agenda papers should not be made available to the press and public on the grounds that they involve the likely disclosure of confidential or exempt information as specified in categories 1 - 7, of the Access to Information Procedure Rules of the Constitution. The reason for both reports is that they contain information falling within category 3: information relating to the financial affairs of any particular person (including the authority holding that information).

In most cases an open version of a closed report is produced and included on the agenda.

No representations have been received in respect of the items listed for consideration in closed session. Any representations received after the issuing of this notice will be reported at the meeting.

Ian Millichap,  
Proper Constitutional Officer

**Dated:** 9 March 2015



## NOTIFICATION OF CLOSED BUSINESS FOR URGENT CONSIDERATION BY AN EXECUTIVE DECISION MAKING BODY

The required 28 days notice relating to a decision likely to be considered in closed session has not been given on the forward plan in respect of the decision detailed in this document. The matter is considered to be urgent and cannot be reasonably deferred for a further 28 days to enable the required notice to be given. Details of the issue are set out below.

Note: This notice applies to meetings of the cabinet, cabinet committee or community councils considering an executive function.

### DECISION MAKER

**Name of decision maker:** Cabinet

**Date of meeting:** 17 March 2015

### LEAD OFFICER DETAILS

**Name and contact details:** Neil Kirby, Head of Regeneration – South 020 7525 1878  
[Neil.kirby@southwark.gov.uk](mailto:Neil.kirby@southwark.gov.uk), 160 Tooley Street, London SE1 2QH

### DETAILS OF THE REPORT

#### **Title and brief description of the nature of the business to be considered:**

#### **Gateway to Peckham Project Update and Approval of the Making of an Application to the Secretary of State for a Compulsory Purchase Order to Acquire the Property Interests within the Revised Project Boundary**

To receive an update on design for a new square at Peckham Rye Station, an update on negotiations with landowners and businesses and to seek authority to start a compulsory purchase order (CPO) process.

- *Why the decision is urgent and cannot be reasonably deferred i.e. Why it cannot wait until a further 28 days or more to enable the required notice to be given?*

A decision cannot wait until the next meeting of cabinet because cabinet approval is required as part of the negotiations with businesses to start the compulsory purchase order (CPO) process. A delay from March to June will delay the implementation of the scheme and risk losing external funding from the GLA of £5m. The current timescale is following cabinet approval, a planning application would be submitted in June and therefore a delay would also delay the implementation of this high profile scheme.

*What is the potential cost to the council if the decision is delayed?*

£5M in GLA funding.



*How long has the department known the decision required a closed report?*

It became known that a closed report was likely when a general exception was issued for this item on 12 February 2015.

**Everton Roberts**

**For Proper Constitutional Officer**

**Dated:** 9 March 2015



## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 10 February 2015 at 4.00 pm at the Council Offices, 160 Tooley Street, London SE1 2QH

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**PRESENT:** Councillor Peter John (Chair)  
Councillor Ian Wingfield  
Councillor Fiona Colley  
Councillor Dora Dixon-Fyle MBE  
Councillor Barrie Hargrove  
Councillor Richard Livingstone  
Councillor Victoria Mills  
Councillor Michael Situ  
Councillor Mark Williams

### 1. APOLOGIES

Apologies for absence were received from Councillor Darren Merrill.

### 2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

The chair gave notice that the following late item of business that would be considered for reasons of urgency to be specified in the relevant minute:

Item 18: Policy and Resources Strategy 2015-16 to 2017-18 – Revenue Budget

Deputation request: Chair of Canada tenants and residents association, with regard to the work being proposed on bathroom and kitchen replacement on the estate.

### 3. NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED

No representations were received in respect of the items listed as closed business for this meeting.

#### 4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were none.

#### 5. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

#### 6. MINUTES

It was noted that with regard to Item 13, housing revenue account – final rent setting and budget report, resolution number 2, that this would include the right of returnees, for example Lakanal House.

##### **RESOLVED:**

That the minutes of the meeting held on 27 January 2015 be approved as a correct record and signed by the chair.

#### 7. DEPUTATION REQUESTS

This request had not been circulated five clear days in advance of the meeting. The chair agreed to accept the item as urgent as the request had been submitted in line with the constitutional deadline for the receipt of deputation requests and was therefore eligible for consideration by cabinet.

##### **RESOLVED:**

That the deputation request be heard.

#### **Canada Estate Tenants and Residents Association**

The chair of the Canada Estate tenants and residents association addressed the meeting requesting that the criteria be brought forward for the replacement of kitchen and bathrooms on the Canada Estate.

Councillor Richard Livingstone confirmed that an item on kitchen and bathroom replacement was on the cabinet agenda setting out the programme.

#### 8. COMMISSIONING AND PROCUREMENT AT SOUTHWARK COUNCIL (OVERVIEW AND SCRUTINY COMMITTEE)

Councillor Gavin Edwards, chair of the overview and scrutiny committee presented the report to cabinet.

**RESOLVED:**

That the recommendations of the review of commissioning and procurement at Southwark be noted and that Councillor Fiona Colley, cabinet member for finance, strategy and performance, bring back a report to cabinet within eight weeks, in order to respond to the overview and scrutiny committee.

**9. COUNCIL PLAN 2014/2015 - 2017/2018****RESOLVED:**

1. That the proposed council plan 2014/15 - 2017/18 be recommended for agreement by council assembly on 25 February 2015.
2. That the proposed council plan 2014/15 - 2017/18 be agreed.
3. That the detailed performance schedules for the council plan based on six priority themes be agreed.
4. That the proposed arrangements for monitoring and reporting on progress against the council plan 2014/15-2017/18 as noted in paragraphs 13 to 15 of the report be agreed.

**NOTE:** In accordance with overview and scrutiny procedure rule 23.1(a) (budget and policy framework) these decisions are not subject to call-in.

**10. OLD VIC ENDOWMENT TRUST****RESOLVED:**

1. That the release of £500,000 as a one-off contribution from the youth fund reserve to donate to the Old Vic Endowment Trust be agreed. This will be for the purposes of the long term promotion of education and employment through culture and the arts for young people in Southwark.
2. That authority be delegated to the chief executive to sign off a memorandum of understanding that enters the council into agreement with the Old Vic Theatre Trust setting out the benefits to be accrued from the donation and process for monitoring and review.
3. That a progress report be submitted to cabinet in 2016.

**11. QUARTER 3 CAPITAL MONITORING FOR 2014/15 AND CAPITAL PROGRAMME REFRESH FOR 2014/15 - 2023/24****RESOLVED:**

1. That the general fund capital programme for the period 2014/15 to 2023/24 as at

Quarter 3 2014/15, as detailed in Appendices A and D of the report, be noted.

2. That the housing investment programme for the period 2014/15 to 2021/22 as at Quarter 3 2014/15, as detailed in Appendix B of the report, be noted.
3. That the variation to the housing investment programme of £63.1m including £54m for housing direct delivery programme be approved, details of which are reflected in the departmental narratives and Appendix C of the report.
4. That the variation to the general fund capital programme of £75.9m be approved, including £44.4m for children's services and £21m for the acquisition of properties in order to progress regeneration projects. Details are reflected in the departmental narratives and Appendix C of the report.
5. That the virements and variations (including those mentioned in recommendations 3 and 4) to the general fund and housing investment capital programme be approved as detailed in Appendix C of the report.
6. That the re-profiling of the budgets in line with projected expenditure for 2014/15 and future years for both the general fund and housing investment programmes be approved as detailed in Appendices A, B and D and the resources available for the capital programme based on latest information available at Quarter 3 2014/15 be noted.
7. That the use of new home bonus (NHB) in funding the capital programme as previously agreed by cabinet on 21 June 2011 has now been committed to the revenue budgets as per the policy and resources strategy 2015/16 to 2017/18 revenue budget report of 27 January 2015 be noted and that this resource will not be available in the following years to fund capital expenditure.

## **12. REVENUE MONITORING REPORT FOR QUARTER 3, 2014/15 INCLUDING TREASURY MANAGEMENT**

### **RESOLVED:**

1. That the following be noted:
  - the general fund outturn forecast for 2014/15 and forecast net movement in reserves by department
  - the housing revenue account's (HRA) forecast outturn for 2014/15 and resulting forecast movement in reserves
  - the treasury management activity for the first three quarters of 2014/15.
2. That the forecast performance for the collection of council tax be noted.
3. That the forecast performance for the collection of business rates and the risks associated with the business rate retention scheme be noted.
4. The general fund budget movements that exceed £250,000, as shown in Appendix A of the report, be approved.

5. That the budget pressures of approximately £300,000 arising from demands on discretionary housing payments that exceed DWP funding allocations be noted and officers be instructed to identify resources to alleviate pressure on the DHP.

### **13. LAKANAL INQUIRY - PROGRESS WITH CORONERS RECOMMENDATIONS**

#### **RESOLVED:**

1. That the contents of the report be noted.
2. That the installation of LD2 type automatic battery powered smoke/heat detection to the leasehold homes in the blocks to which the coroner's recommendations refer (see paragraph 13 of the report) in the estimated sum of £1,263,000 be approved.
3. That the method for approval for the installation of LD2 type automatic battery powered smoke/heat detection to the leasehold homes in blocks across the borough as set out in paragraph 22 of the report, be noted.

### **14. LAKANAL HOUSE REDEVELOPMENT, SCEAUX GARDENS ESTATE 2014/17 - UPDATE REPORT**

#### **RESOLVED:**

1. That the details of the proposed Lakanal House Redevelopment scheme as detailed within the report be noted.
2. That it be noted that the scheme will be delivered through the major works partnering contract with Keepmoat Regeneration (Apollo) Ltd ("Keepmoat").
3. That it be noted that the scheme budget was included in the Quarter 2 Capital Monitoring for 2014/15 and Capital Programme Refresh for 2014/15 – 2023/24 approved at cabinet on 9 December 2014.

### **15. GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - ADULT INTEGRATED DRUG AND ALCOHOL TREATMENT SYSTEM**

#### **RESOLVED:**

That the procurement strategy for the adult integrated drug and alcohol treatment system contract up to a maximum annual value of £4,100,000 for a period of three years commencing on 4 January 2016 with an option to extend for a further period or periods not exceeding two years in total making a total maximum contract value of £20,500,000 be approved.

**16. RE-ALIGNMENT OF AN EXISTING RIGHT OF WAY WHERE THE COUNCIL IS THE BENEFICIARY OF ACCESS AND EGRESS TO AND FROM ADJOINING LITTLE DORRIT PARK**

**RESOLVED:**

1. That the re-alignment (edged in black) of an existing right of way (hatched and cross-hatched in black) on land owned by a third party (“the developer”) identified on the Ordnance Survey Plan at Appendix 1 of the report where the council is the beneficiary of access and egress to and from adjoining Little Dorrit Park for operational purposes be approved on the following terms:
  - a. A financial consideration is received.
  - b. The developer pays a financial contribution towards the council’s surveying fees and legal fees reasonably incurred.
  - c. The alternative location for the new right of way will continue to be used for operational purposes during the construction of the adjoining redevelopment, and continue for operational purposes in perpetuity following construction of the adjoining development.
  - d. Discussions be undertaken with local stakeholders to facilitate investment improvements to Little Dorrit Park up to a total of £100,000 from the consideration received for the relocation of the right of way.

**17. ASSET MANAGEMENT STRATEGY - KITCHENS AND BATHROOMS**

**RESOLVED:**

1. That a six year kitchen and bathroom programme to “deliver a quality kitchen and bathroom for every council tenant” by March 2021, as part of a wider asset management strategy be agreed.
2. That the initial 1 year kitchen and bathroom programme set out in Appendix 1 of the report to coincide with the final year of the current Warm, Dry and Safe Programme in 2015/16 to replace kitchens older than 20 years and bathrooms older than 30 years be agreed.
3. That officers be instructed to consult residents on the proposals for the next five years of the programme, post 2015/16, as part of the overall asset management strategy consultation that will take place borough wide.
4. That the progress of the asset performance evaluation of the council’s housing stock carried out in partnership with Savills and the council be noted and that further work is being carried out to test and refine the results of the work to date with a 30 year financial business plan and principles for a future asset management strategy and instructs officers to bring these forward for cabinet approval in March 2015. This report will be considered by cabinet in March 2015.

## 18. POLICY AND RESOURCES STRATEGY 2015-16 TO 2017-18 - REVENUE BUDGET

This item had not been circulated five clear days in advance of the meeting. The chair agreed to accept the item as urgent as the council is committed to publishing budget proposals at the earliest opportunity to ensure that they are available to the public for comments and questions. Additionally, under the council's constitution there is a requirement for the overview and scrutiny committee to review and challenge the budget proposal. This took place on 2 February 2015 and recommendations arising from this meeting are included in paragraphs 97 to 102 of the report.

### RESOLVED:

1. That it be noted that the government's Autumn Statement was delivered on 3 December 2014; that the final settlement was announced on 3 February 2015, but is still subject to parliamentary approval. The motion to approve the settlement in Parliament will be on 10 February 2015.
2. That the provisional settlement contained no indicative grant settlement figures for 2016/17 or beyond be noted.
3. That it be noted that the final settlement included additional resources for the council of £750,000 in respect of an increased allocation to assist in dealing with pressures on local welfare and health and social care, and that this has been used to substitute the need for use of the Hardship Fund to support the Southwark Emergency Support Scheme in 2015/16.
4. That it be noted that the Hardship Fund resources will be returned to ring fenced earmarked resources to be allocated by cabinet to support those most in need at some future date.
5. That it be noted that representations have been made to the Minister by the leader and by the cabinet member for finance, strategy and performance with regard to the provisional settlement.
6. That specific funding by government for Local Welfare Provision has been removed from the settlement be noted.
7. That it be noted that cabinet have previously agreed to extend the Southwark Emergency Support Scheme until 2017/18, despite the withdrawal of this Social Welfare Provision funding and that budget provision for 2015/16 is provided in the budget proposals contained in the report.
8. That on 27 January 2015 cabinet agreed to set a one year budget for 2015/16 in the context of uncertainty over funding levels for 2016/17 and beyond be noted.
9. That balanced general fund budget proposals for 2015/16 contained within the report be noted, including resources available, commitments, income generation efficiencies and improved use of resources and other savings impacting on service delivery.



10. That the balanced budget plans for council tax to be frozen for 2015/16 be noted.
11. It be noted that these proposals for 2015/16 include the impacts of:
  - The provisional grant settlement
  - An increase in council tax revenue to reflect an increase in the taxbase and improved collection rates
  - An increase in retained business rates
  - Pay awards for council staff in line with national agreements
  - Contractual inflation
  - Top slicing of new homes bonus to redirect resources to the Local Enterprise Partnership (LEP)
  - Reduction in grant to support housing benefit administration
  - One off use of reserves of £6.2m
  - One off reductions in insurance fund provisions of £300,000 to reflect reduced insurance risks
  - Contingency provision retained at £4m to help mitigate risks inherent within the council's savings programme for 2015/16 and beyond.
12. That the need in the context of these proposals to monitor especially the implementation of the Care Act during 2015/16 and any further and unforeseen implications on general fund budget proposals be noted.
13. That the feedback from the public budget consultation exercise be noted.
14. That the delivery of the Fairer Future Council Plan commitments is included in this budget be noted.
15. That the recommendations of the overview and scrutiny committee on 2 February 2015 contained in paragraphs 97 to 102 of the report be taken into account and the cabinet member to respond to the committee.
16. That the draft 2015/16 to 2017/18 medium term resources strategy included in paragraphs 91 and 92 and Appendix L of the report be noted.
17. That the proposals in the report for a balanced budget based on a nil council tax increase for 2015/16 for recommendation to council assembly on 25 February 2015 be agreed. The budget schedules are set out in Appendices H-K of the report.
18. That funding for East Dulwich school crossing patrols (Townley Road and Village Way - 3 crossings in total) be amended to mainstream funding of £18,000 and that officers be instructed to conduct a "digital by default" review of member and democratic services with a target of saving at least £18,000 by reducing printing and distribution costs. Proposals should be based on a "bring your own device" model.
19. That with regard to paragraph 98 of the report, a review of the voluntary redundancy offer being made to employees, the chief executive report back to the next cabinet.
20. That a report comes back to cabinet on the suggestion set out paragraph 102 of the

report, that council officers look into the possibility of introducing a staff bank approach for street cleaning rather than making use of agencies to supply staff.

**NOTE:** In accordance with overview and scrutiny procedure rule 23.1(a) (budget and policy framework) these decisions are not subject to call-in.

### **EXCLUSION OF PRESS AND PUBLIC**

That the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in category 3 of paragraph 10.4 of the access to information procedure rules of the Southwark Constitution.

The following is a summary of the closed part of the meeting.

**19. GATEWAY 1: PROCUREMENT STRATEGY APPROVAL - ADULT INTEGRATED DRUG AND ALCOHOL TREATMENT SYSTEM**

The cabinet considered the closed information relating to this item. See item 14 for decision.

**20. RE-ALIGNMENT OF AN EXISTING RIGHT OF WAY WHERE THE COUNCIL IS THE BENEFICIARY OF ACCESS AND EGRESS TO AND FROM ADJOINING LITTLE DORRIT PARK**

The cabinet considered the closed information relating to this item. See item 16 for decision.

Meeting ended at 5.40pm.

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 18 FEBRUARY 2015.**

**THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE. SHOULD A DECISION OF THE CABINET BE CALLED-IN FOR SCRUTINY, THEN THE RELEVANT DECISION WILL BE HELD IN ABEYANCE PENDING THE OUTCOME OF SCRUTINY CONSIDERATION.**

<b>Item No.</b> 8.	<b>Classification:</b> Open	<b>Date:</b> 17 March 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Southwark and Lambeth Childcare Commission: Report and Recommendations	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Victoria Mills, Children and Schools	

### **FOREWORD – COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR CHILDREN AND SCHOOLS**

I warmly welcome the report of the Lambeth and Southwark Childcare Commission, chaired by Dame Tessa Jowell MP. Like our neighbours in Lambeth, we are firmly committed to giving every child the best start in life and helping parents find affordable, accessible and quality childcare. This report acknowledges the challenges faced by local families but sets out a range of options that could be used to tackle these by the Mayor of London, central government, local authorities and employers. There is no one solution to deal with the many problems parents in London face trying to get back to work while managing the burdens and prohibitive costs of childcare. The council no doubt has a role to play in stepping up to deliver the options set out in the report but we also need to work with parents, businesses and the Mayor in open partnership to create a city that embraces parenthood and creates a world of opportunity for all our children.

The report recommends that both councils look into the idea of a childcare matchmaking service, which would pair qualified childminders with parents who are looking for childcare on a flexible basis. It also recommends that the councils consider incentivising local employers to set up workplace nurseries, possibly by discounting business rates or brokering deals with childcare providers. One further suggestion is for Transport for London to consider offering new parents discounted transport fares to help make going back to work affordable, or for the Mayor of London to look into the feasibility of providing an interest-free loan scheme so that parents can pay any upfront childcare costs. The report also challenges the government to change their funding of early years development, pooling the education, early years and childcare budgets to take a 0-18 approach recognising that early intervention can save money in the long-term.

I look forward to discussing these recommendations and many others with colleagues across Southwark and Lambeth in the coming weeks. I am determined that together we can make childcare work better for families, better for children and better for our communities.

### **RECOMMENDATIONS**

That cabinet:

1. Receive the report and note the recommendations of the Southwark and Lambeth Childcare Commission.

2. Notes that a further report will be brought back to cabinet in May 2015 responding to the Commission's report.

### **BACKGROUND INFORMATION**

3. The Southwark and Lambeth Childcare Commission was established in June 2014 to review existing policy and practice in childcare provision, with particular reference to the experience of parents, children and childcare providers in the central London boroughs of Southwark and Lambeth. The aim of the Commission was to examine the challenges and opportunities in this area, and make recommendations for changes to policy and practice at a national, regional and local level in order to secure childcare provision that is accessible and affordable to all parents, supports them to be economically active, and delivers quality education and development for children in the early years.
4. The Commission was chaired by the Rt Hon Dame Tessa Jowell MP. Dame Tessa has represented the London constituency of Dulwich and West Norwood, which comprises parts of Lambeth and Southwark, as a Member of Parliament since 1992. Prior to this, she had been a child care officer in Brixton and then a family therapist and psychiatric social worker at the Maudsley Hospital. While a Member of Parliament, Tessa served on the opposition front bench until 1997 when she was appointed to the government, becoming the first ever Minister for Public Health and implementing the widely acclaimed Sure Start Programme to support childhood and early infancy. After the 2001 election Tessa joined the Cabinet as the Secretary of State for Culture, Media and Sport. In this role she is credited with bringing the whole government behind the decision to bid for the London 2012 Olympic and Paralympic Games. Subsequent to stepping down as the Shadow Olympics Minister in 2012, Tessa was appointed to lead a global campaign to ensure an integrated approach to the early childhood years in the post Millennium Development Goals framework. Tessa was appointed a Dame in 2012 for political and charitable services.
5. Five leading experts in the fields of childcare provision, early years education, child development and psychology, government and economics were appointed to serve alongside Dame Tessa.
6. The commissioners were:
  - a. Naomi Eisenstadt – Senior Research Fellow at the University of Oxford. A retired civil servant who ran the Sure Start Unit for its first seven years. Extensive experience both working directly with children and families and at the most senior levels in Government. Last post before retirement was Director of the Social Exclusion Task Force in the Cabinet Office.
  - b. Tony Travers – Professor in the Department of Government at London School of Economics, journalist, and director of the Greater London Group at the London School of Economics and Political Science. Advisor to the House of Commons Education Select Committee and House of Commons Communities and Local Government Select Committee.
  - c. Vidhya Alakeson – Deputy Chief Executive of Resolution Foundation during the Commission and now Chief Executive of the Power to Change. Has a special interest in life chances and social mobility, policy for children and families, health and social care and wider public service reform.

- d. Kathy Sylva – Professor of Educational Psychology at Oxford University. She was Specialist Advisor to the House of Commons Select Committee on Education and Employment during their Inquiry into Early Education (2001). She serves on government advisory committees concerned with national assessment, evaluation of programmes such as Sure Start, and curriculum for children 0-7 years (2003, 2005-6, 2008). Dominant themes throughout her research are the impact of education not only on ‘subject knowledge’ but on children’s problem-solving, social skills and disposition to learn.
- e. Anand Shukla – Chief Executive at the Family and Childcare Trust during the Commission and now Chief Executive of the education charity Brightside. Advises government in Westminster, Edinburgh and Cardiff on childcare policy and has been credited with ensuring the high profile of childcare as an issue with governments and local authorities throughout the UK.

- 7. The Commission met four times between June and November 2014 and has taken evidence from local parents, childcare providers and industry experts in order to produce its final report and recommendations and to meet its aims.
- 8. The Commission has undertaken data gathering, policy review and analysis activities. As the first of its kind to be established by local authorities, the Commission has paid particular reference to the local experience of parents, children and childcare providers within Southwark and Lambeth, whilst also examining national and regional trends and practices.
- 9. The Commission’s recommendations are wide ranging and include suggestions for service delivery with Lambeth and calls for partnership working across the Council and with external businesses and providers to ensure the provision of quality childcare which supports parents into work.

## **KEY ISSUES FOR CONSIDERATION**

### **Executive Summary of the Southwark and Lambeth Childcare Commission**

- 10. The Southwark and Lambeth Childcare Commission was set up to look at how childcare and early years services can better fit around the childcare needs of parents working in London’s dynamic, 24-hour economy, whilst at the same time supporting parents to give their children the best possible start in life.
- 11. We want to see a childcare system that supports parents to move into and remain in employment. It is still too difficult for parents in Lambeth and Southwark to find good-quality, affordable and flexible childcare and this is a significant barrier to getting and holding down a job.
- 12. Too many parents – and in particular mothers – find the cost of childcare prohibitive in seeking employment. Less than 60% of mothers in London are in employment, compared to nearly 70% in the UK as a whole, and upwards of 80% in countries like Sweden and Iceland.<sup>1</sup> For parents of pre-school children, the figure is even lower: only 1 in 2 London mothers with a child below school age is in a job. A large part of this gap can be explained by differences in the cost and availability of childcare and nursery places.

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<sup>1</sup> OECD Family Database <http://www.oecd.org/els/family/database.htm>

13. We also want to see childcare and early years services that reduce the inequality of life chances of children living in both boroughs. This is a big challenge given that so much of where a child ends up in life is still determined by where they are born and who their parents are. By the time children start school, there are already significant gaps in the school-readiness of children from different family backgrounds.
14. All children living in Southwark and Lambeth should grow up able to develop their talents and abilities to their full potential, without the constraints of poverty and disadvantage holding them back. To achieve this, we need childcare and early years services that – as well as supporting parents back to work – are also relentlessly focused on narrowing the gap in life chances.
15. As high-performing councils who have already enjoyed significant success in other related areas – for example in overseeing an increase in the quality of schools in both boroughs – Southwark and Lambeth are committed to providing national leadership on how councils in England should be responding to this challenge. We believe if Lambeth and Southwark councils, central government, local employers, the Mayor’s office and parents themselves come together to implement some of the suggestions in this report we will see a real step change: both in terms of the ease with which parents can find the flexible, affordable and high-quality childcare solutions that they need; and of better life outcomes for the children of Lambeth and Southwark, many of whom start life in conditions of high poverty and disadvantage.

### Key themes

16. Firstly, councils up and down the country are facing a tougher fiscal context than ever, with areas with significant levels of deprivation such as Southwark and Lambeth experiencing some of the deepest cuts. Lambeth estimates that between 2010 and 2016, it will have experienced an overall 50% cut in core funding, and that between 2010 and 2018 the council will have had to make budget cuts of up to £200m, in order to balance its books<sup>2</sup>. In Southwark, the council estimates that it has faced a £90m reduction in funding since 2010<sup>3</sup>. One analysis indicates that, per-person, the borough has experienced a cut of £249 between 2010-11 and 2014-15. In Lambeth this figure was roughly similar at £239.<sup>4</sup>
17. The challenging fiscal context facing councils and central government means that any extra investment in childcare and early years services will need to be reallocated from other sources. But it is clear that extra investment in early years services can reap much bigger returns for central government, local government, and most importantly, children themselves, later on. A pound spent supporting families early on, when their children are young, is much more efficient and effective than trying to deal later with the consequences of issues that have gone untackled.

<sup>2</sup> <http://www.lambeth.gov.uk/elections-and-council/about-lambeth/lambeths-%C2%A390-million-savings-challenge>

<sup>3</sup> [http://www.southwark.gov.uk/news/article/1787/shared\\_legal\\_services\\_go\\_from\\_strength\\_to\\_strength](http://www.southwark.gov.uk/news/article/1787/shared_legal_services_go_from_strength_to_strength)

<sup>4</sup> <http://www.theguardian.com/society/patrick-butler-cuts-blog/2013/jan/11/council-cuts-north-loses-out-to-the-south-newcastle>

18. We therefore make a strong case here that the children's services and education budget should be looked at as a whole, and that some spending should be reallocated from services for school-age children to the early years, with the government taking a 0-18 approach to funding.
19. We will also need to see much more integrated partnership working than we have done in the past between different commissioners and services, building on existing joint commissioning initiatives such as the Lambeth Early Years Action Partnership (LEAP).
20. The recommendations we have made here in relation to childcare and early years services also therefore need to be seen in the context of a bigger agenda for more place-based budgeting, with local councils at the helm. And there will need to be some difficult decisions made, for example around decommissioning some services, or strategically prioritising services within some Children's Centres over others to create a 'hub and spoke' model.
21. However, improving the affordability and availability of childcare cannot be a job for central government or Lambeth and Southwark councils alone. Both central government and local councils have an important role to play. But so do local employers and businesses, who can help expand access to childcare through adopting parent-friendly policies.
22. The Mayor of London can also play a key role in expanding access to affordable loans, creating a coalition of London employers committed to improving childcare for their employees and making things easier for parents by keeping transport costs – such a big part of the costs of flexible working in London – manageable.
23. And of course we can also facilitate parents themselves playing a much bigger role through helping them set up childcare cooperatives, in which they contribute time in exchange for lower-cost childcare; facilitating parent-led after-school and holiday provision; and creating the networks that allow parents to pool time to support each other, for example with school drop-offs and pick-ups.
24. The third theme is about the importance of community institutions like Children's Centres which act as one-stop-shops for busy parents for all their support needs, with co-located services spanning child health, childcare, parenting support and employment services, delivered in partnership with families. Southwark and Lambeth both have great examples of Children's Centres that act as real community hubs: we need to ensure parents right across both boroughs have access to the best examples of these, and that best practice is harnessed and shared.

### **Policy implications**

25. The key policy areas that could be impacted by the Commission's recommendation's include:
  - a. Southwark's role as a commissioner and provider of childcare
  - b. Consideration of the importance of schools in the delivery of childcare, especially in relation to funding streams and provision for older children
  - c. Southwark's role in engaging and supporting local businesses and employers to adopt family friendly policies and practices to help their employees better manage their working life and childcare responsibilities.
  - d. The suitability of existing types of childcare provision for helping parents into employment and progression into work.

### Community impact statement

26. The Commission has taken evidence and information from local residents, parents, children, childcare providers and organisations with an interest in childcare. The evidence has been essential in informing and supporting the work of the Commission and its final report.
27. The work of the Commission and the recommendations it has produced will be of potentially significant importance in the councils' future approach to childcare provision. Any changes to policy or practice that flow from the Commission's recommendations will be subject to equality analysis.

### Resource implications

28. The 15 hours provision for childcare is funded through the Dedicated Schools Grant (DSG) for targeted two year olds and the universal offer for three and four year olds. In addition, the DSG also contributes to the council's overall Early Help provision for 0-5 year olds. The cost of the childcare commission report has been shared with Lambeth at £35,000 per council, funded from the DSG. The future recommendations from this report will need to be included into future budget setting processes for the council.

### SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

#### Director of Legal Services

29. The director of legal services notes the content of this report and advises that there are no specific legal implications arising from the report recommendations at this stage.

#### Strategic Director of Finance and Corporate Services

30. The strategic director of finance and corporate services notes the recommendations to receive the Southwark and Lambeth Childcare Commission report and plan to consider the implementation of the recommendations and report back to cabinet. Any financial implications arising from future proposals will need to be incorporated into the council's budget setting and decision making processes as these arise and, in addition, consideration given to the specific DSG governance arrangements where relevant.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

### APPENDICES

No.	Title
Appendix 1	Southwark and Lambeth Childcare Commission Report & Recommendations



## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Victoria Mills, Children and Schools	
<b>Lead Officer</b>	Graeme Gordon, Director of Corporate Strategy	
<b>Report Author</b>	Helen Iles, Senior Strategy Officer	
<b>Version</b>	Final	
<b>Dated</b>	5 March 2015	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	5 March 2015	



# The Lambeth and Southwark Childcare Commission



## Foreword

Every family worries about childcare. We all want to know that our children are well looked after when we can't be there, and we don't want it to cost the earth. It's simple, but it isn't easy.



And the stakes are incredibly high – the first 1,000 days of a child's life are absolutely foundational. We now know that a child's early experiences have more influence on future achievement than innate ability, material circumstances or the quality of pre-school and school provision.

So childcare really matters. It's not just about cost and convenience – though both can be incredibly important. At its heart, childcare is about making sure every child gets a fair start in life.

Making sure that every child has a chance – that's how we as a society unleash the possibility of equality.

Parents have to be free to work whilst raising their families; children have to be given the nurturing environment they need to grow.

This report presents a serious plan to make childcare in Southwark and Lambeth better. Better for families, better for children, better for our communities – and I am proud to support it.

I would like to thank our commissioners, the IPPR, and the Lambeth and Southwark members and officers for the hard work, dedication and determination that made this report possible.

**Rt Hon. Dame Tessa Jowell MP**

Chaired by Rt Hon Dame Tessa Jowell MP.

### Commissioners:

- Naomi Eisenstadt – Senior Research Fellow at the University of Oxford.
- Tony Travers – Academic and Journalist, specialising in issues affecting local government.
- Vidhya Alakeson – Former Deputy Chief Executive of Resolution Foundation during the commission, now Chief Executive of the Power to Change.
- Kathy Sylva – Professor of Educational Psychology at Oxford University.
- Anand Shukla – Former Chief Executive of Family & Childcare Trust during the commission, now Chief Executive of the education charity Brightside.

Research and analysis provided by the Institute for Public Policy Research (IPPR Trading Limited).  
Commissioned by the London Boroughs of Lambeth and Southwark.



## Executive summary

**The Southwark and Lambeth Childcare Commission was set up to look at how childcare and early years services can better fit around the childcare needs of parents working in London's dynamic, 24-hour economy, whilst at the same time supporting parents to give their children the best possible start in life.**

We want to see a childcare system that supports parents to move into and remain in employment. It is still too difficult for parents in Lambeth and Southwark to find good-quality, affordable and flexible childcare and this is a significant barrier to getting and holding down a job.

Too many parents – and in particular mothers – find the cost of childcare prohibitive in seeking employment. Less than 60% of mothers in London are in employment, compared to nearly 70% in the UK as a whole, and upwards of 80% in countries like Sweden and Iceland\*. For parents of pre-school children, the figure is even lower: only 1 in 2 London mothers with a child below school age is in a job. A large part of this gap can be explained by differences in the cost and availability of childcare and nursery places.

We also want to see childcare and early years services that reduce the inequality of life chances of children living in both boroughs. This is a big challenge given that so much of where a child ends up in life is still determined by where they are born and who their parents are. By the time children start school, there are already significant gaps in the school-readiness of children from different family backgrounds.

All children living in Southwark and Lambeth should grow up able to develop their talents and abilities to their full potential, without the

constraints of poverty and disadvantage holding them back. To achieve this, we need childcare and early years services that – as well as supporting parents back to work – are also relentlessly focused on narrowing the gap in life chances.

As high-performing councils who have already enjoyed significant success in other related areas – for example in overseeing an increase in the quality of schools in both boroughs – Southwark and Lambeth are committed to providing national leadership on how councils in England should be responding to this challenge. We believe if Lambeth and Southwark councils, central government, local employers, the Mayor's office and parents themselves come together to implement some of the suggestions in this report we will see a real step change: both in terms of the ease with which parents can find the flexible, affordable and high-quality childcare solutions that they need; and of better life outcomes for the children of Lambeth and Southwark, many of whom start life in conditions of high poverty and disadvantage.

### Key themes

Firstly, councils up and down the country are facing a tougher **fiscal context** than ever, with areas with significant levels of deprivation such as Southwark and Lambeth experiencing some of the deepest cuts. Lambeth estimates that between 2010 and 2016, it will have experienced an overall 50% cut in core funding, and that between 2010 and 2018 the council will have had to make budget cuts of up to £200m, in order to balance its books\*\*. In Southwark, the council estimates that it has faced a £90m reduction in funding since 2010\*\*\*. One analysis indicates that, per-person,

\* OECD Family Database <http://www.oecd.org/els/family/database.htm>

\*\* <http://www.lambeth.gov.uk/elections-and-council/about-lambeth/lambeths-%C2%A390-million-savings-challenge>

\*\*\* [http://www.southwark.gov.uk/news/article/1787/shared\\_legal\\_services\\_go\\_from\\_strength\\_to\\_strength](http://www.southwark.gov.uk/news/article/1787/shared_legal_services_go_from_strength_to_strength)

the borough has experienced a cut of £249 between 2010/11 and 2014/15. In Lambeth this figure was roughly similar at £239\*.

The challenging **fiscal context** facing councils and central government means that any extra investment in childcare and early years services will need to be reallocated from other sources. But it is clear that extra investment in early years services can reap much bigger returns for central government, local government, and most importantly, children themselves, later on. A pound spent supporting families early on, when their children are young, is much more efficient and effective than trying to deal later with the consequences of issues that have gone untackled.

We therefore make a strong case here that the children's services and education budget should be looked at as a whole, and that some spending should be reallocated from services for school-age children to the early years, with the government taking a **0-18 approach to funding**.

We will also need to see much more **integrated partnership working** than we have done in the past between different commissioners and services, building on existing joint commissioning initiatives such as the Lambeth Early Years Action Partnership (LEAP).

The recommendations we have made here in relation to childcare and early years services also therefore need to be seen in the context of a bigger agenda for more **place-based budgeting**, with local councils at the helm. And there will need to be some difficult decisions made, for example around decommissioning some services, or strategically prioritising services within some Children's Centres over others to create a 'hub and spoke' model.

However, improving the affordability and availability of childcare cannot be a job for central government or Lambeth and Southwark councils alone. Both central government and local councils have an important role to play. But so do **local employers and businesses**, who can help expand access to childcare through adopting parent-friendly policies.

The **Mayor of London** can also play a key role. We believe serious consideration should be given to expanding access to affordable loans, creating a coalition of London employers committed to improving childcare for their employees and making things easier for parents by keeping transport costs – such a big part of the costs of flexible working in London – manageable.

And of course we can also facilitate parents themselves playing a much bigger role through helping them set up **childcare cooperatives**, in which they contribute time in exchange for lower-cost childcare; facilitating parent-led after-school and holiday provision; and creating the networks that allow parents to pool time to support each other, for example with school drop-offs and pick-ups.

The third theme is about the importance of community institutions like **Children's Centres** which act as one-stop-shops for busy parents for all their support needs, with co-located services spanning child health, childcare, parenting support and employment services, delivered in partnership with families. Southwark and Lambeth both have great examples of Children's Centres that act as real community hubs: we need to ensure parents right across both boroughs have access to the best examples of these, and that best practice is harnessed and shared.

## Recommendations for central government

- Government should consolidate existing funding for Education, Early Years and Childcare, taking a 0–18 approach.
- Government should give local authorities more control over how this budget is spent.
- In the short term, Government should commit to scrapping the planned changes to funding of the two-year-old entitlement due to come in in 2015.

## Recommendations for the Mayor of London

- The Mayor's Office should look into the feasibility of a London-wide affordable loan scheme to enable parents across London to access no-interest loans to help them with the upfront costs of childcare and moving into work.
- The Mayor's Office should continue to review Transport for London fares for parents working flexibly and part-time.
- The Mayor's Office should bring together a London-wide coalition of businesses that commit to support their staff with their childcare needs.

## Recommendations for local employers

- Business Improvement Districts across both boroughs should commit to making joint investments in childcare, such as through loan schemes or flexible working policies.

- Local employers should commit to setting up workplace nurseries, in conjunction with social enterprises and charities where appropriate.

The efforts of local employers should be supported by both councils:

- Both councils should investigate the feasibility of providing business rates discounts for employers that invest in high quality, affordable childcare support for employees.
- Both councils should run a brokering service putting in touch employers and charities and social enterprises interested in running workplace nurseries.

- Both councils should expand their requirement for businesses winning council contracts to pay the living wage, to other forms of family friendly working, for example, by asking employers to sign up to Timewise or demonstrate good practices with respect to promoting the right to request flexible working and granting requests.

## Recommendations for Lambeth and Southwark Councils

### Childcare

- Lambeth and Southwark should improve access to information about local childcare by facilitating the creation of an online childcare portal.
- Increasing the awareness of existing provision as well as the supply and quality of childminders, by:
  - ▶ Establishing and extending childminder networks, run out of Children's Centres,

\* <http://www.theguardian.com/society/patrick-butler-cuts-blog/2013/jan/11/council-cuts-north-loses-out-to-the-south-newcastle>

focused on improving the quality of childminding.

- ▶ Expanding and strengthening flexible childminder networks to broker parental access to childminders.
- ▶ Working with local further education providers to increase the supply of childminders.
- ▶ Providing more business support for childminders.

- Lambeth and Southwark should support more before-and after-school provision and holiday provision for school-age children through by supporting parents to set up cooperative childcare schemes.

- Both boroughs should set up childcare clubs for parents, which could operate on a 'timebank' principle. These could, for example, help parents coordinate drop-offs and pick-ups from school with other local parents, and facilitate the set up of 'babysitter circles' whereby parents look after each other's children in a reciprocal scheme.

### Children's centres

- Both boroughs should work together to share and develop best practice on Children's Centres.
- More Children's Centres to allow parents to register their child's birth.
- Both boroughs should explore how to expand the availability of Children's Centres at weekends, such as through parent-led provision.
- Both boroughs should look at how to increase the role that Children's Centres play in the provision of childcare.
- Expand and share best practice on the linking up of family services and employment support.

### Integrated commissioning

- Lambeth and Southwark should continue to develop partnership working and integrated commissioning with a strong ethos of early intervention and robust methods for sharing data and best practice.

- Lambeth and Southwark should liaise with schools to pool and invest a proportion of schools' pupil premium funding from the Dedicated Schools Grant in pre-school interventions to support school readiness and transitions to school as part of an 'invest to save' approach within this strategy.

### Supporting parents to do the best for their children

- Both boroughs should continue to review the use of evidence-based parenting support programmes such as Family Nurse Partnership, Incredible Years and Triple P, and ensuring that the Children's Centre network is used to increase access to these programmes, moving funding away from programmes that are not evidence-based. This is already happening as part of Lambeth's LEAP programme.

- Both boroughs should also commit to supporting the provision of evidence-based family learning programmes through Children's Centres, targeted at parents with low levels of prior educational qualification.

- Both boroughs should commit to expanding support for parent-led programmes such as Parent Champions and Community Mothers.



Why do childcare and early years services matter

### Childcare and early years services provide crucial support to families in two ways.

Being able to access flexible and affordable childcare is critical to parents holding down a job. Affordability and flexibility are particularly important in the diverse, inner London boroughs of Lambeth and Southwark. Both boroughs have higher-than-average levels of income inequality, and many of the parents we spoke to as part of our research told us they have to work atypical and long hours in order to support their families. They often do not have the support of an extended family living nearby, and face longer-than-average and expensive commutes into central London. This is particularly a problem for part-time workers, for whom commuting costs are higher as they are unable to make use of Transport for London's discounted season tickets.

And the costs of childcare are rising even as family incomes are currently being squeezed by slow wage growth and the rising costs of other essentials, such as housing and energy. Childcare is now estimated to account for up to 30% of family incomes in London\*. According to the Family and Childcare Trust, a part-time place (25 hours) for a child under 2 costs on average £140.12 a week in London\*\*. This is 28% more than the average price across the country, and it stands in stark contrast to childcare costs in other countries; for example, childcare fees for Swedish parents are capped at just over £100 / month (1260 SEK / month\*\*\*). Parents in London pay more per week than parents in Stockholm pay in a month.

A lack of affordable and flexible childcare is a significant barrier to parents moving into work. This can keep families trapped in a cycle of poverty, with all its terrible consequences for both parents and children\*\*\*\*.

Second, decades of evidence from the social sciences and more recently, neuroscientific research, have shown that children's experiences and environment in their earliest years are critical in shaping outcomes for the rest of their lives. Most parents share a strong human instinct to do what's best for their children, but it can be frustrated by their own limits in skills or knowledge, or by difficult circumstances such as poor parental mental health or struggling with the daily reality of living in poverty. This means children from different social backgrounds start school with very different levels of school readiness, in terms of their physical, social and emotional, and cognitive development. Some children are not starting school with basic physical skills like being able to use a knife and fork; basic social skills like being able to regulate their behaviour in a class of young children; or the language skills that allow them to communicate with their teacher and the rest of their class at even the most basic of levels.

Nationally, only 42% of children eligible for free school meals (a reliable indicator of deprivation) achieve the expected standard on the Early Years Learning goals (which comprise measures of school readiness) compared to 61% of their more advantaged peers. In Southwark and Lambeth, the gap is slightly smaller, but still significant: 13 percentage points in Lambeth and 15 in Southwark compared to the national gap of 19 percentage points\*\*\*\*.

Even faced with difficult material circumstances, with the right support from childcare and early years services, parents can do a great deal to overcome the forces of disadvantage. Parenting and the home environment have by far the biggest impact on child development\*\*\*\*\*. However, high-quality early years services can

support parents to provide the warm, loving, structured, enriching and secure home environments that will help promote their child's development through secure attachment, conversation and story-telling. And high-quality childcare can complement children's home learning environments, with positive impacts for their cognitive, physical and behavioural development\*.

Research has found high-quality childcare environments have more qualified staff and management in childcare settings, but also that the type of interaction that is encouraged between adults and children in the setting matters, with the best outcomes associated with a mix of adult- and child-initiated interaction, characterised by warm relationships. The positive impact of high-quality childcare is particularly pronounced for children from disadvantaged backgrounds. The effects are not seen where the setting is not high quality, which underlines the importance of ensuring children from disadvantaged backgrounds are accessing high quality settings\*\*.

Furthermore, being able to access affordable, flexible childcare also enables parents to improve their material circumstances by looking for suitable employment opportunities, particularly important in improving outcomes for children living in low-income households.

In the last twenty years, state funding for childcare has steadily increased via support with childcare costs via the tax and benefits system and the creation of a free entitlement to part-time provision for all children aged 3 and 4, and to children aged 2 from disadvantaged backgrounds. A whole new early years infrastructure has been created in the establishment of over 3,000 Children's Centres across the

country, intended to function as community hubs for family services, including parenting support, childcare, back-to-work support, and community midwifery and health visiting. And there is much more targeted support available for vulnerable parents through evidence-based programmes, such as Family Nurse Partnership and the Incredible Years.

While this investment has had some successes, the big gaps in school readiness for children from different backgrounds still remain and too many parents still find it difficult to access affordable and flexible childcare. There needs to be a step change in the quality and availability of childcare and early years services.

Of course, investing in quality early years and childcare services does not come cheap. But the costs later on down the life of failing to provide good support to families early on in a child's life can be several times the upfront costs of early intervention. A failure to invest in flexible and affordable childcare prevents parents from moving into work, which carries significant costs for the state in terms of means-tested benefits and foregone tax receipts. And a failure to invest in quality childcare and early years services can lead to the greater costs associated with much more expensive catch-up interventions at secondary school, more intensive support services to deal with dysfunctional family environments when children are older, and at the extreme end, the youth justice and prison systems for the children who have been most failed by the system.

Several local authorities have now undertaken detailed cost-benefit analysis to understand how the upfront costs of investing in early years services might lead to savings later down the line. For example, Greater Manchester has

\* Alakeson V and Hurrell A (2012) The costs of childcare after housing costs [http://www.resolutionfoundation.org/wp-content/uploads/2014/08/The\\_costs\\_of\\_childcare\\_after\\_housing\\_costs\\_1.pdf](http://www.resolutionfoundation.org/wp-content/uploads/2014/08/The_costs_of_childcare_after_housing_costs_1.pdf)

\*\* Rutter J and Lugton D (2014) 2014 London Childcare Report <http://www.familyandchildcaretrust.org/News/London>

\*\*\* Sweden: Successful reconciliation of work and family life [http://europa.eu/epic/countries/sweden/index\\_en.htm](http://europa.eu/epic/countries/sweden/index_en.htm)

\*\*\*\* See Ben-Galim D and Thompson S (2014) Childmind the gap: Reforming childcare to support mothers into work, IPPR. <http://www.ippr.org/publications/childmind-the-gap-reforming-childcare-to-support-mothers-into-work>

\*\*\*\*\* DfE (2014) Early years foundation stage profile attainment by pupil characteristics, England 2014 Department for Education.

\*\*\*\*\* The Social Research Unit at Dartington The 'science within': what matters for child outcomes in the early years <http://betterstart.dartington.org.uk/wp-content/uploads/2013/08/The-Science-Within1.pdf>

\* EPPE study

\*\* See Parker I (2013) Early developments: Bridging the gap between evidence and policy in early-years education, IPPR. <http://www.ippr.org/publications/early-developments-bridging-the-gap-between-evidence-and-policy>

estimated that an upfront investment of £38 million per year in early years services could result in annual savings of £145 million a year over a 25-year period as a result of improving children's lives\*.

At the same time, population shifts within both boroughs mean that the number of babies and young children is projected to grow. The bottom line is that both boroughs are going to need to find ways of doing more with less in early years and childcare over the next decade: a huge challenge that will require working together in new ways across different services and across the two boroughs. The need for integration will be greater than ever at a time when resources are at their tightest for decades. And there will be difficult questions about how to prioritise falling levels of funding, with potential implications for the balance between universal and targeted services. Investing to save has never been more important, but has also never been more difficult in terms of finding the resource needed to invest in our children's long-term future.

Our report looks at each of the following aspects of childcare and early years provision in Lambeth and Southwark:

- How early years services can empower parents to give their children the best possible start.
- How to improve access to flexible, affordable and quality provision in Lambeth and Southwark, through working with schools, businesses, the private and voluntary sectors, local Children's Centres and parents themselves.
- The role of Children's Centres as community hubs of early intervention.
- Integrated commissioning of early years services in Lambeth and Southwark.



**Improving access to flexible, affordable and quality childcare**

\* Greater Manchester Early Years Business Case [http://www.agma.gov.uk/cms\\_media/files/121031\\_ey2\\_business\\_case.pdf?static=1](http://www.agma.gov.uk/cms_media/files/121031_ey2_business_case.pdf?static=1)



**Being able to access flexible, affordable and quality childcare in the early years is critical for families.** Too often, it is a lack of affordable and flexible childcare that gets in the way of parents working, or working the hours they need to. We know this is a particular problem for parents living in Lambeth and Southwark, where the demands of shift working and long hours in London's dynamic economy make it particularly important that parents can access flexible provision.

Additionally, attending high-quality childcare settings, with well-qualified management and staff and which promote a mix of both adult-initiated and child-initiated interaction, has been shown to have positive impacts on child development, particularly for children from disadvantaged backgrounds. It is an effective way of closing the school readiness gap for five-year-olds from different family backgrounds.

There are tensions between the employment and child development benefits of childcare, however. The best-quality childcare is usually found in centre-based settings, particularly in maintained schools where nursery settings are much more likely to be staffed by sufficient numbers of graduates who work directly with children as well as leading practice and are trained in creating richly educational settings appropriate for young children.

But these settings often offer little flexibility to parents working long or atypical hours. This is particularly an issue in inner London, where parents, particularly those in low-paid work, are more likely to have to work long hours and irregular shifts than elsewhere in the country. Commuting times are also longer and families are less likely to have extended family to rely on for childcare.

A lack of flexibility and affordability has contributed to maternal employment in London being 15 per cent lower than elsewhere in the country\*. Boroughs such as Lambeth and Southwark therefore face a particular challenge: they need to find ways of ensuring that young children are in high-quality settings, whilst also ensuring parents are able to access the flexible and affordable provision that allows them to work in London's 24-hour economy.

## The national childcare market

The childcare market in England is very much a mixed market, with provision provided by a mix of maintained schools, by private and voluntary providers, and by childminders.

Government support to help families with the costs of childcare is provided in two key ways:

- First, all three- and four-year-olds are entitled to fifteen hours' free care a week for 38 weeks of the year. Two-year-olds from disadvantaged backgrounds (around two-fifths of all two-year-olds) are also entitled to this.

The government sets funding levels for the free entitlement nationally, paid in a grant to local authorities (currently government pays a grant equivalent to £6.07 for two-year olds an hour for 570 hours per year, according to the number of two-year old children estimated to be eligible for it). This is then paid directly to providers by local authorities.

- Second, parents can claim support to help them with childcare costs through the tax system, such as through tax credits and tax relief\*\*.

The vast majority of two-year olds in receipt of the free entitlement take up their provision with private and voluntary providers (96%). For three-year olds, 60% take up provision in private and voluntary providers, with 36% taking it up in maintained school settings, either at maintained nursery schools or at nursery classes within primary schools. The majority of four-year olds (79%) are in maintained settings, with only 18% at private and voluntary providers. Children's centres are not required to offer childcare and nationally play a very small role in provision of the free offer.

Data on take-up of childcare outside of the free entitlement funded by government is poor: providers only have to fill in the Early Years census for children in receipt of the free entitlement. However, the number of childminders, which play an important role in providing flexible and wraparound provision, has fallen slightly in numbers over the last fifteen years\*.

There are a number of issues with the way the childcare market operates in England\*\*. First of all, there is a great deal of variance in quality, which reflects the very different qualifications needed to work in the different sectors. Maintained settings – such as nursery schools and primary schools – offer provision led by early years practitioners that include qualified teachers and nursery nurses, whereas in the private and voluntary sectors, qualification levels tend to be much lower, with low minimum requirements (half of staff working with children must have a GCSE equivalent qualification; supervisory and management staff must have an A-level equivalent qualification).

This may in some cases reflect the fact that primary schools are able to spend more on their under-5s provision: as they receive higher hourly

rates of funding from local authorities; they often cross-subsidise their provision with whole-school budgets; and they do not have to pay rent or business rates. They therefore have more to invest in qualified staff.

Second, there are issues with availability. For younger children, only 20% of local authorities report that there are sufficient places for children under the age of 2\*\*\*. In addition, many areas also have issues with the availability of provision to enable parents to take up the government's free two-year old offer. Private and voluntary settings find this more expensive to provide than the free offer for three- and four-year olds, but find it difficult to cross-subsidise between older and younger groups, given that as children get older they are more likely to move into school-based provision.

As set out above, the availability of the free offer can also be very inflexible for parents. The part-time nature of the free entitlement and the fact it is predominantly provided by centre-based providers means it can be difficult to take up if parent's childcare needs fall outside available hours. This reflects difficulties in accessing flexible provision overall, with schools and centre-based provision rarely offering childcare outside the hours of 8am–6pm. While this works for parents working regular, typical hours, parents who work shifts have to rely on other forms of childcare. And, some parents who only want to take up the free offer report that it is difficult to access, with providers insisting they buy 'top up' hours in order to access the free entitlement.

Third, there are problems with the affordability of childcare. The rising cost of childcare in England is well documented, with childcare now estimated to take up to 30% of family budgets

\* Rutter J and Lugton D (2014) 2014 London Childcare Report <http://www.familyandchildcaretrust.org/News/London>

\*\* Ben-Galim D, with Pearce N and Thompson S (2014) No more baby steps: A strategy for revolutionising childcare, IPPR. <http://www.ippr.org/publications/no-more-baby-steps-a-strategy-for-revolutionising-childcare>

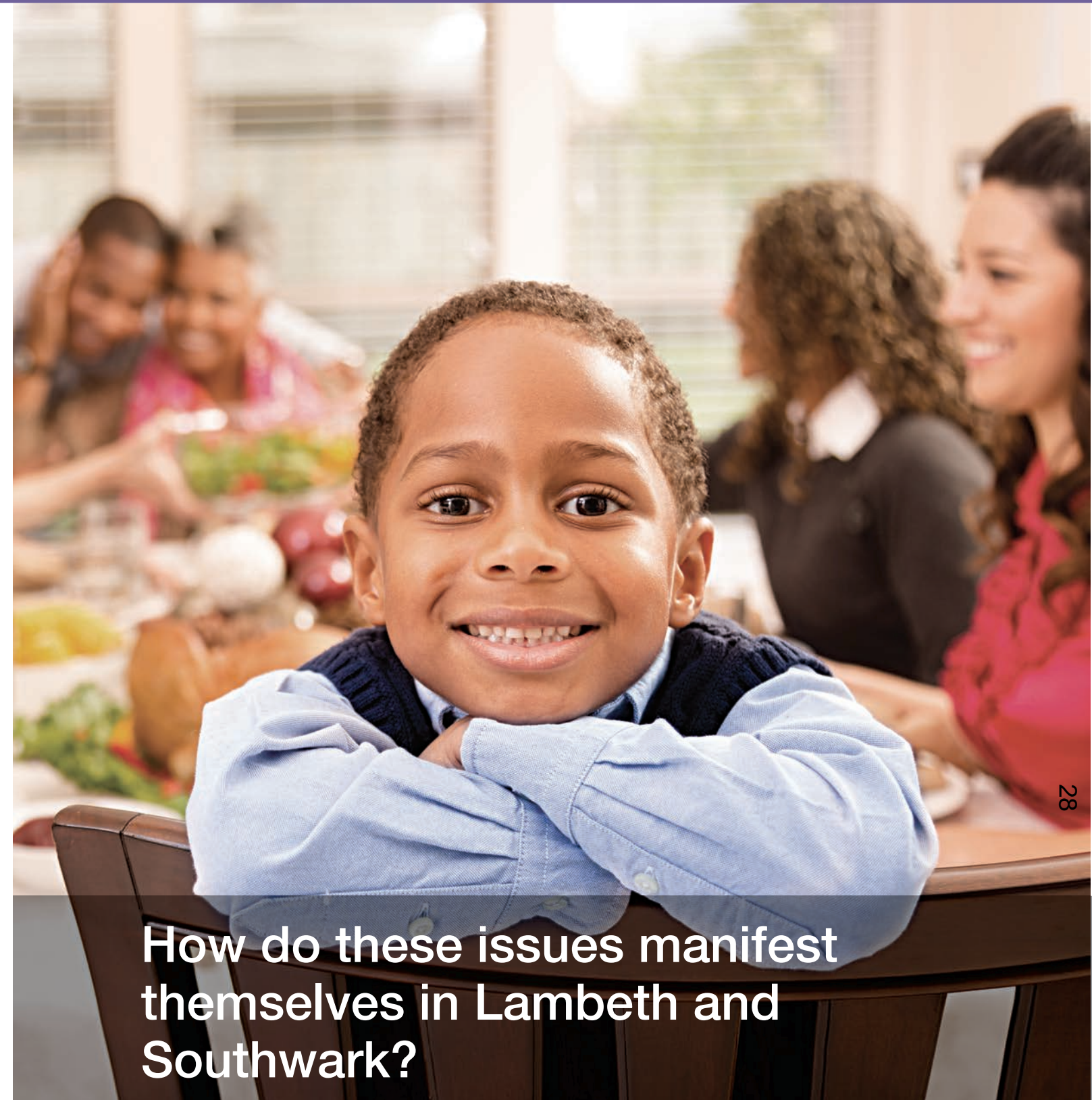
\* Stewart, K (2013) "Labour's Record on the Under-Fives: Policy Spending and Outcomes 1997-2010". Social Policy in a Cold Climate Working Paper No 4. London: Centre for Analysis of Social Exclusion

\*\* Stewart K and Gambaro L (2014) World Class: What does international evidence tell us about improving the English childcare market. <http://www.resolutionfoundation.org/wp-content/uploads/2014/08/World-Class-What-does-international-evidence-tell-us-about-improving-quality-access-and-affordability-in-the-English-childcare-market.pdf>

\*\*\* FCT (2013) Childcare Costs Survey 2013. London: Family and Childcare Trust <http://www.resolutionfoundation.org/media/press-releases/two-in-three-mothers-say-high-cost-of-childcare-is-a-barrier-to-working-more/>

in London for families with children under 5. Two in three mothers say the high costs of childcare are a barrier to working more\*. And although some support with the cost of childcare is available through the tax and benefit system, accessing it is complicated.

Many parents lose out because they find the system too complex, because they are simply unaware of this support, or because they can't afford the upfront costs they need to meet in order to be able to claim back this support after they have already paid out. British parents pay a higher price for childcare compared to parents in most other European countries\*\*.



**How do these issues manifest themselves in Lambeth and Southwark?**

\* <http://www.resolutionfoundation.org/media/press-releases/two-in-three-mothers-say-high-cost-of-childcare-is-a-barrier-to-working-more/>

\*\* Ben-Galim D, with Pearce N and Thompson S (2014) No more baby steps: A strategy for revolutionising childcare, IPPR. <http://www.ippr.org/publications/no-more-baby-steps-a-strategy-for-revolutionising-childcare>

**Many of these issues are particularly felt in the diverse, central-London boroughs of Lambeth and Southwark, which are characterised by lower-than-average income and a higher-than-average proportion of parents needing to work atypical hours and who therefore need to access more flexible provision than is offered by schools or childcare centres. We examine these in more detail below.**

### Availability

The nature of childcare provision in inner city boroughs like Lambeth and Southwark – with a high proportion historically provided in maintained settings – has led to a number of issues with availability. While the available data suggests that there is sufficient provision for children eligible for the three- and four-year old entitlement, and for parents wishing to buy extra hours on top of that, there is a lack of availability of childcare for younger children, and a lack of more flexible provision for parents working atypical hours.

First, there is a lack of provision to meet demand for the free two-year old entitlement. This is a national issue, with private and voluntary providers finding themselves unable or unwilling to provide the spaces on the basis of the government funding they receive. For many providers it simply not financially attractive or in many cases viable.

However, this problem is particularly pronounced in inner-London boroughs, though Lambeth and Southwark have performed comparatively well at finding provision within this group. Information from the Department of Education shows that Southwark is within the top ten performing London boroughs for the take up of the two

year old entitlement, despite having one of the highest numbers of potentially eligible children. This level of performance from both boroughs is because a key way private and voluntary providers have been able to provide places for two-year olds is to cross subsidise their places from funding for three- and four-year old places. However in these boroughs a much higher proportion than average of three- and four-year olds take up their free offer in maintained schools, with fewer in private and voluntary settings and so this is less of an option.

Both boroughs have done comparatively well in terms of getting parents to register for their entitlement. As of October 2014, 75% of eligible two-year olds in Lambeth and 77% of eligible two year-olds in Southwark had registered for the two-year old offer\*. However, registering does not necessarily guarantee a place, and due to a lack of available provision, approximately 38% of registered two year-olds in Lambeth and 25% of registered two-year olds in Southwark are still waiting to access a place. There is a gap in provision between both those eligible and those registered and what is actually on offer.

Many parents that we spoke to had experienced their child being put on a waiting list. Some of the parents that we spoke to were only able to get a place for their child through the persistence of an outreach worker, who had liaised and negotiated with providers on their behalf. Parents understandably found this a frustrating experience.

*“It was very awful to find a place for my child. If not for [my outreach worker] I would not have found anything. My son was 2 and a half when I got a place... I spoke to one*

*nursery, they told me that they would ring me. They still haven’t called.”*  
(Focus group participant, Lambeth)

The national funding context means that provision for the free two-year-old offer is likely to get worse. Currently, the Department for Education allocates funding based on the number of children eligible for the entitlement (totalling £4.2m in Lambeth and £5.7m in Southwark during 2014/15). They also provide trajectory funding to support local authorities in increasing capacity in the market to meet demand for the free offer: this amounted to £652,816 in Lambeth and £687,929 in Southwark during 2014/15. This is particularly important for both boroughs, because historically they have had a higher than average proportion of two-year olds eligible for the free offer due to high levels of deprivation in both boroughs.

From 2015/16, however, all trajectory funding for capacity-building will be cut, and funds will be allocated on a participation basis rather than an eligibility basis. This means local authorities will be allocated funding according to the number of funded places they provided in the last Early Years Census, taken each January\*; that is, the number of children currently enrolled. This will make it exceptionally difficult for both boroughs to increase take-up. The funding formula will take no account of children on waiting lists, meaning it will be very difficult to increase capacity in areas like Lambeth and Southwark where waiting lists are already high. The increasing population of children aged under 5 in these boroughs will place further pressure on capacity.

Second, there is a lack of flexible and wrap-around provision to help parents take advantage of the free offer in schools. Some schools offer little flexibility in the hours offered for the free

entitlement, with provision only sometimes being half-day.

*“A lot of our parents work part-time so they want fixed hours, they might have morning cleaning shifts, or they have training so they need very specific hours... what generally happens is when they get a [free entitlement] place the nursery is like ‘you can have this that and that: Monday, Tuesday, Thursday’. There’s no flexibility.”*  
(Outreach worker, Lambeth)

For example, one working parent reported that due to the lack of flexibility she had to give up on the free entitlement and pay for a full-time childminder to allow her to go back to work.

*“The free childcare hours for pre-school children are useless if you have a full time job. Even if I top up the free hours to the nursery school’s full day they finish just after 3, and aren’t open in the holidays, so it means I have to pay for a childminder full time instead.”*  
(Response to our parent survey)

Several working parents we spoke to said that the cost of topping up was too expensive to allow them to return to work.

*“When I found out about the 2 year free early learning, I wanted to see if I could put him in for 3 hours a day, and then top up, but it was so expensive... the rest can come to 600 [pounds] a month... its was too expensive to*

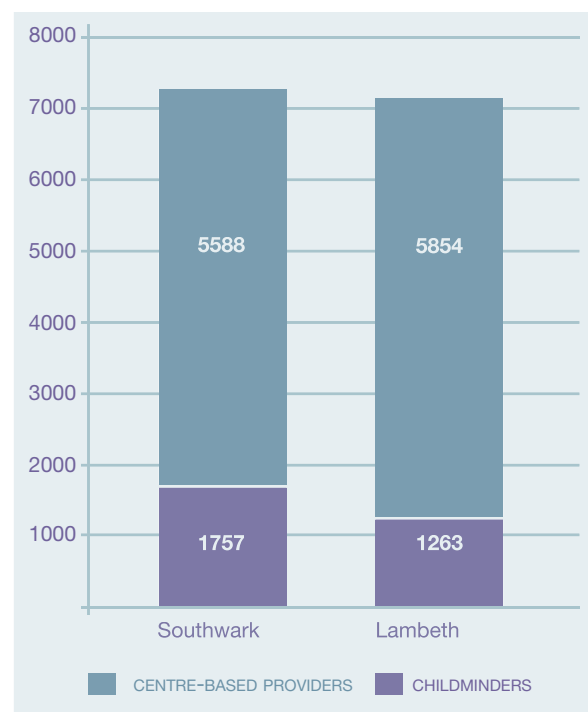
\* Both the DfE and local authorities calculate the number of free entitlement places according to a part-time equivalent (PTE): this is the number of funded blocks of 15 hours paid for by the council. So for example, if one child took up the offer for only 7 hours per week and another child for only 8 hours per week, those two children would count as a single place.

\* The schools census will be used for early years places provided in schools and the early years census for those located in the PVI sector.

*take 600 off my salary and so I stayed at home... You can't work, you know, you want [to] work but you can't.*" (Focus group participant)

*"15 hours is awkward, it looks like it works but it doesn't [...] 25 or 30 would be good because I had to look for work... I was getting home at 7.30, so I had to look for childcare outside... I had to give up my job."* (Focus group participant)

Part of the reason for this lack of flexibility is that most provision in both boroughs is in centre-based provision, which tends to be less flexible, rather than with childminders (see figure 1 below).



**Figure 1: number of Ofsted-registered places in March 2014 in both boroughs\***

Childminder numbers have been falling across the whole of London: the Family and Childcare Trust have reported that there has been a 13% drop in childminder numbers since 2012 across London\*\*. And childminder numbers have always historically been lowest in inner London local authorities, where it can be more difficult to fulfil play space requirements in inner-city, high-density housing and where demand tends to be lower due to the high proportion of provision in maintained schools.

The divide between settings that provide part-time and full-time, wraparound provision has implications both in terms of the extent to which parents are able to move into work and in terms of the levels of social mixing in different types of provision.

There is also an issue with the availability of wraparound care and holiday provision for parents of school-age children. In order to take up full-time employment parents of school-age children often need to make use of breakfast and after-school clubs, as well as holiday clubs. Without these services parents are often forced to rely upon informal childcare and use their annual leave in order to look after their children during school holidays – such gaps in provision can therefore limit employment opportunities.

Historically, schools have received a dedicated funding stream for providing extended provision. However, in 2011, this grant was un-ringfenced and absorbed into the Dedicated Schools Grant. While this offers school leaders and their partners greater autonomy in deciding what services and activities should be offered, schools now have no obligation to protect spending on wraparound care.

Over a quarter of parents in our survey told us

that their current childcare arrangements were inadequate during the school holidays.

*"School holidays can cost £100 per day for 2 kids. It's a real struggle when our income barely covers bills as it is."* (Response to our parent survey).

In Southwark, the 2011 childcare sufficiency assessment pointed to high demand for after-school provision in term-time and holiday provision during the school holidays, particularly for the 5–10 year old age group and for children with disabilities. Similarly, Lambeth has significant gaps in holiday care and out-of-school care for children in the secondary school age group. This also emerged as a theme in our parental survey.

*"I made the choice to opt out of work and be my son's carer because finding somebody to [look after] my son was very difficult... finding someone who I trusted, who I felt confident with, was impossible."* (Contact a Family focus group)

*"In Lambeth, up until five years old, things aren't too bad. But after that a lot of the parents just can't afford the options out there... you either have to find the funding, or pay for [childcare] yourself."* (Marie, Contact a Family)

*"Capacity at the afterschool club is low, it depends on staff ratios, if your kid's the 17th child, they're going to wait for another 7 children."*

Just one in four parents in our survey agree that it is easy to find childcare to fit their work schedule. This appears to be a particular problem for those with those with school-age children, with many parents mentioning a lack of available wraparound care in the form of breakfast and after-school clubs that offer hours suitable for full-time work.

*"My childcare would work much better for me if my After-school Club for my child finished at 6.30pm or 6.45pm (rather than 6pm), and if the school day started at 8.30am or 8.45am (rather than 9am)."* (Survey response)

It might be expected that providers would eventually respond to this high demand for out-of-school childcare from parents. However providers face significant practical difficulties to developing models that meet parents' needs (Citizen's Advice 2014). Most providers have tight margins, and profitability across the sector is low. Meeting demand for holiday childcare was found to be a particular issue in areas of deprivation (including rural or where there is a high density of children)\*. There are also difficulties obtaining capital funding and credit which may put off new entrants to the market and ensure that existing providers act in a risk-averse way, in order to secure their fragile profitability. To increase, or even to maintain, supply in unprofitable areas, providers may need robust ongoing strategic support including financial and professional advice.

At a national level, many schools provide some form of 'wraparound' care, and some also provide access to holiday clubs. But there are still many that do not offer a comprehensive

\* Not the number of places occupied or the number of children who may benefit from receiving places through providers offering sessions at different times of the day (see Ofsted, March 2014)  
 \*\* Rutter J and Lugton D (2014) 2014 London Childcare Report, <http://www.familyandchildcaretrust.org/News/london>

\* 4 Children, Holiday childcare and activities: key learning for sustainability [http://www.4children.org.uk/Files/aae527ce-a6b3-4f6e-b12c-9f9600a30782/HolidayPublication\\_final.pdf](http://www.4children.org.uk/Files/aae527ce-a6b3-4f6e-b12c-9f9600a30782/HolidayPublication_final.pdf)

package for children throughout the year. Overall, however a third of all schools do not offer a 'complete' package of both breakfast and after school provision\* making it difficult for parents to work. However, Lambeth's Labour-run council has pledged to extend the availability of breakfast clubs in the borough so that all primary school age children who want to can have access to them, which should go some way to addressing this.

### Quality

The quality of provision of the free entitlement in Lambeth and Southwark is better than average. The proportion of two-, three- and four-year olds using their free entitlement in settings rated as good or outstanding by Ofsted, and in settings where highly-qualified staff work directly with children, is higher than the national average.

This partly reflects the fact that inner city areas have historically had much greater levels of nursery provision within maintained primary schools than in other areas of the country. Both Lambeth and Southwark have maintained their nursery school provision, and have a strong role to play in overseeing quality in these settings.

But like in the rest of the country, there remain significant gaps between the quality of provision provided by maintained primary and nursery schools and the quality of provision by private and voluntary providers and childminders. For example, in both boroughs, more than 40% of private and voluntary providers do not have highly-qualified staff working directly with children.

This means that for parents, the highest quality provision is often the least flexible: in schools or centre-based settings, which rarely offer childcare outside 8am to 6pm, and which

sometimes offer little choice about when parents can take the free entitlement during the week. The fact that parents find it difficult to find flexible, wrap-around provision to fit around what is offered in schools and centre-based childcare means they may not be able to access the highest quality provision.

There must therefore be a concerted effort not just on continuing to drive up quality in the boroughs' already good maintained settings, but also in the private and voluntary sector and particularly with childminders, who are often under-utilised.

### Affordability

As noted above, London has the highest childcare costs in the country: the Family and Childcare Trust has estimated that childcare costs in the capital have increased by 27% in the last five years\*\*. Childminders providing 25 hours of childcare cost 36 per cent more in London than the national average, and part-time nursery places cost 28 per cent more.

Added to this, some parents – especially those in work – find it difficult to access the free entitlement: much of the free offer is accessed in maintained schools, which often offer little flexibility to parents and only half-day provision. Working parents therefore need to be able to supplement this with flexible, wraparound care in order to make use of the free entitlement. And some parents find it difficult to access the available support through the tax system, which is complicated and requires parents to pay for childcare themselves upfront to unlock government tax credits and reliefs. This is simply not possible for many parents.

Costs tend to be high in the private, voluntary

Table 1: the proportion of children using the free entitlement in high-quality settings

	Lambeth	Southwark	England average
Proportion of providers with staff with Qualified Teacher Status (QTA)/Early Years Professional Status who work directly with 2-year-olds	60%	67%	40%
Proportion of 2-year-old children using free entitlement at providers with staff with QTS/EYPS who work directly with 2-year-olds	62%	70%	45%
Proportion of private, voluntary and independent providers with staff with QTS/EYPS who work directly with 3- and 4-year-olds*	55%	59%	42%
Proportion of 3s and 4s using free entitlement in setting with QTS/EYPS working directly with them (Jan 2014)**	64%	64%	48%
Proportion of 3s and 4s in setting rated as good or outstanding (Jan 2014)***	82%	82%	76%

Table 2: Ofsted ratings of early years providers

Ofsted registered early years providers rated good/outstanding	68%	75%	79%
Ofsted registered early years providers rated satisfactory/inadequate	32%	25%	21%

\* TNS BMRB (2014) Primary schools providing access to out of schools care, DfE. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/315838/RR349\\_Out\\_of\\_School\\_Provision\\_in\\_England\\_final\\_ml.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/315838/RR349_Out_of_School_Provision_in_England_final_ml.pdf)

\*\* The Family and Childcare Trust, Annual costs survey, 2014. It is worth noting that the FCT rely on data submitted by local authorities to carry out calculations; as the data submitted usually includes gaps, these figures are likely to be closer to estimates. Research highlights that the main sources of information on costs (namely the FCT, the Childcare and Early Years survey from the DfE and data from Laing and Buisson) all use different methodologies to collect data, making it difficult to form a consensus on exact costs.

\* DfE SFR20 Table 12a  
 \*\* DfE SFR20 Table 14a  
 \*\*\* DfE SFR20 Table 15a

and independent sector as providers face higher costs: for example, rent and business rates, which maintained settings do not need to pay.

Parents in our online survey expressed significant concerns about the costs of childcare – below are a selection of responses:

*‘I am terrified of what will happen when my maternity leave is over. I have no idea how we will cope with £900+ for babycare when I return to work. If I don't return to work to ensure our family has enough income to pay our rising rent, my husband's business (based in Streatham) could collapse.’*

*“When my maternity leave ends, we will need to juggle work hours to make sure that we're not both working on the same days. We can't afford any other kind of childcare. Our employment and income situation took a significant nose-dive during the recession and hasn't recovered since then.”*

*“As a couple who work full time, we collectively earn £55,000 – most of it my income. In this area in London, that doesn't stretch far and childcare costs more than our housing, which also costs a fortune.”*



What needs to change?

### Parents in Lambeth and Southwark need to be able to access childcare that is affordable and flexible, but where quality is not sacrificed.

There is much that needs to happen to create a system that works better for parents. Local government can provide the leadership, but genuinely improving access to quality, affordable and flexible childcare will require actions not just from local councils, but from central government, from the London mayor and from the business community.

### The role for central government

Central government plays a critical role in shaping the local childcare market. In England, government support for childcare is split between complex demand-side support that parents access after-the-fact through the tax system, and supply-side funding that goes directly to providers via local authorities to pay for parents' access to the free entitlement.

This split between demand- and supply-side funding contributes to inefficiencies in the market. It is not always easy for parents to access support through the tax system because the system is complex and parents can only access this support once they have paid the upfront costs of childcare themselves. Demand-side subsidies can also inflate the costs of childcare\*. And the fact that the free-entitlement is only available for fifteen hours a week for 38 weeks a year makes it difficult to access for parents who need more flexible and wraparound childcare.

The international evidence suggests that the

best way of delivering affordable and accessible childcare is through predominantly supply-funded and strategically commissioned services, as happens in the Nordic countries. For example, in Denmark, supply-side funding goes directly to providers and childcare costs are capped for parents, based on a sliding scale of parental income that means the lowest-income parents pay nothing. Countries that have focused instead on demand-side subsidies have found that this tends to inflate costs both to parents and the taxpayer, reducing their value to parents\*\*.

The level of spending on childcare is also critical. Figures from the OECD and analysed by the Institute for Public Policy Research show that the UK is very much a middle-ranking spender on childcare, lagging behind the Scandinavian countries. In Scandinavia, where there is greater investment in childcare, maternal employment rates are higher as inability to access childcare simply is not a barrier to mothers moving into work. Hence greater upfront investment in childcare can result in significant savings to the exchequer in the longer term through improved female employment rates, as well as better outcomes for children if a high quality of provision is secured. Analysis by the Institute for Public Policy Research has also suggested that a 5 percentage point increase in the maternal employment rate would generate extra revenue to the Exchequer of £750m a year, and a 10 percentage point increase £1.5bn\*\*\*.

The tight fiscal context means it will always be difficult for government to find additional upfront resources to invest in childcare. However, the costs of expanding access to the free entitlement would be a small proportion of what is spent on school education in general: per-child funding for childcare places for the

under-5s is much lower than per-child funding for school-age children. For example, the cost of expanding the free entitlement from 15 hours to 25 hours a week for all three- and four-year olds would be £20m a year in Lambeth. This is not an insignificant sum: however, it is a small proportion of Lambeth's total school budget of half a billion a year. Given the high returns on investing in childcare, which come from improving children's' school readiness and increased rates of maternal employment, there is a good case that spending on childcare and schools should be looked at in the round, with some funding reallocated from primary and secondary schools to childcare provision in the early years. This should be a responsibility devolved to local councils, as part of giving them greater freedom over place-based budgets.

Central government also shapes the role local authorities can play in their local childcare markets. While local authorities continue to have 'market shaping' duties under the Childcare Act 2006, many of their statutory powers – for example, over quality and regulation – have been eroded in recent years. As Stewart and Gambaro (2014) have argued, the local authority's responsibility, powers and funding to monitor and improve quality of childcare provision in their local areas have been weakened\*. Internationally, in many countries such as Norway, France and Germany, local government plays a strong and active role in quality improvement. This is particularly important where the sector is fragmented and diverse, as it is in England. Local authorities have historically been able to access funding in order to support them in playing a quality improvement role, for example through the Transformation Fund that was set up in 2006, which later became the Graduate Leader Fund and has now been scrapped. Without

centrally-coordinated support and investment at the local level, there is a real danger that the quality of provision offered by private and voluntary providers and childminders will diminish.

### Recommendations for central government

#### Government should consolidate existing funding for Education, Early Years and Childcare, taking a 0-18 approach.

Given the high returns on investing in childcare, detailed above, there is a good case that spending on childcare and schools should be looked at together, with some funding reallocated from primary and secondary schools to childcare provision in the early years.

This would also include reallocating existing demand-side funding (tax credits) towards the expansion of the free entitlement. As an illustration, expanding the free entitlement from 15–25 hours for three and four year olds would cost Lambeth approximately £20m per year. Lambeth already fund almost 1000 children at 30 hours per week, so the cost to other local authorities is likely to be higher. Other organisations have costed more radical expansion options, for example, to provide all children aged 2, 3 and 4 for 15 hours a week, 48 weeks of the year, with guaranteed access to a further 20 hours of affordable provision a week for which parental contributions would be capped\*\*. Therefore to fund such options would require a radical rethink of government funding structures.

#### Government should give local authorities more control over how this budget is spent.

This move should be part of moving towards

\* Ben-Galim D, with Pearce N and Thompson S (2014) No more baby steps: A strategy for revolutionising childcare, IPPR. <http://www.ippr.org/publications/no-more-baby-steps-a-strategy-for-revolutionising-childcare>

\*\* Ben-Galim D, with Pearce N and Thompson S (2014) No more baby steps: A strategy for revolutionising childcare, IPPR. <http://www.ippr.org/publications/no-more-baby-steps-a-strategy-for-revolutionising-childcare>

\*\*\* Ben-Galim D and Thompson S (2014) Childmind the gap: Reforming childcare to support mothers into work, IPPR. <http://www.ippr.org/publications/childmind-the-gap-reforming-childcare-to-support-mothers-into-work>

\* DfE (2013) Early education and childcare: Statutory guidance for local authorities [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/269734/early\\_education\\_and\\_childcare\\_for\\_local\\_authorities.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/269734/early_education_and_childcare_for_local_authorities.pdf)

Stewart K and Gambaro L (2014) World Class: What does international evidence tell us about improving quality, access and affordability in the English childcare market? Resolution Foundation.

\*\* Ben-Galim D, with Pearce N and Thompson S (2014) No more baby steps: A strategy for revolutionising childcare, IPPR. <http://www.ippr.org/publications/no-more-baby-steps-a-strategy-for-revolutionising-childcare>

giving local authorities more power over place-based budgets, which would bring together funding for different services at the local level that currently sit with different commissioners. It would give local authorities the power to further build on the switch from demand-side to supply-side funding, to provide extra funding to move towards the universal entitlement set out above. It would also give local authorities the freedom to earmark funding

for coordinated investment in improving quality at the local level, for example, investment in initial training, continuing professional development and in the infrastructure required to improve quality, for example childminder networks.

This would include restoring local authorities' formal powers of monitoring and oversight of childcare. Currently local authorities are only

## Work already in place in Lambeth and Southwark

Our recommendations here should be viewed in the context of the work both Southwark and Lambeth Councils are already actively undertaking in response to some of the challenges outlined above, for example:

- Outreach workers across both boroughs often offer one-to-one support for parents to register for the 2 year old offer and help in finding a place. An outreach worker we interviewed, for example, regularly calls nurseries on behalf of parents to check availability and then advocates on behalf of parents to ensure that providers are meeting their obligations on the two-year-old offer.
- Lambeth organised reading buses to sit in the middle of major each council estate in the borough and had Parent Champions engage with local residents and help eligible parents to sign their children up for the offer. In Southwark a 2014 marketing campaign included bus stop adverts, banners outside settings and new marketing materials including postcards. Parents in Lambeth can check their eligibility on-line\* helping many to register. Southwark outreach workers are keen to deploy a similar platform to help register parents.
- Easing geographical constraints: Southwark and Lambeth have both agreed to a cross border agreement with all neighbouring boroughs wherein they have agreed to fund eligible children from out of borough attending their settings, with a reciprocal arrangement for parents choosing out of borough provision.
- Lambeth have also focused on encouraging schools to help expand capacity to meet the two-year-old free entitlement: they have encouraged schools to take 'rising 3s': 2 year olds who are 2 and 7–9 months and who will be eligible for the free full-time place from their 3rd birthday, under Lambeth's full-time childcare program for vulnerable children. That child will then remain in the same school after they turn three and are eligible for a full-time place.

\* See <https://www.mylearning.co.uk/EarlyYears/LocalAuthorities#/EarlyYears/LocalAuthorities>

required to support settings that Ofsted have judged as requiring improvement or inadequate, but in order to improve quality overall, they should have greater responsibility for all settings.

The above are long-term measures. In the shorter term, government should commit to scrapping the planned changes to funding of the two-year-old entitlement due to come in in 2015, which will cripple local authorities' capacity to ensure there is enough provision to meet demand for the free two-year-old entitlement.

## Recommendations for Lambeth and Southwark

### 1. Information and advice

A lack of information for parents makes it difficult for them to access the right provision. In the national Childcare and Early Years survey, almost one in four parents (39%) said they felt there was too little information available to them about what was available in their local area\*.

**Lambeth and Southwark should improve access to information about local childcare by facilitating the creation of an online childcare portal.** An online portal would connect parents with providers including private and voluntary sector providers and childminders, and empower parents with good-quality information about what is available. The portal could include:

- Online listings with real-time information about availability and Ofsted ratings.
- The opportunity for parents to leave ratings, working in collaboration with the Good Care Guide.

- Advice for parents on how to choose between different types of childcare setting.

- Links to existing Family Information Services.

Given financial constraints, funding options – such as from external sponsors and partners – could be explored.

The councils could also build on existing initiatives to provide more advice and advocacy for parents in helping them access childcare, for example co-locating Family Information Services in Children's Centres, offering practical support to help parents claim financial support via Family Information Centres and Jobcentre Plus advisers, and training parent champions to offer more support to other parents to help them access childcare (see Chapter 5).

### 2. Increasing the awareness of existing provision as well as the supply and quality of childminders

As outlined above, the high proportion of the free entitlement provided by maintained nursery and primary schools in both boroughs – while leading to better-than-average quality of provision leads to real issues for parents working atypical hours in being able to access it.

One way to help parents unlock the free entitlement in centre-based provision is in expanding access to wraparound care through childminders who tend to offer more flexible provision than what is available in centre-based settings. However, the quality of provision by childminders can be lower, meaning that on the whole, it is less effective in getting children school-ready. This is particularly important for children from disadvantaged backgrounds, whose parents are much more likely to work

\* Department for Education, The Childcare and Early Years survey for parents, 2014.



atypical hours and hence rely on flexible childminder provision.

However, even where good quality childminding is available, parental knowledge of, or willingness to take up, this option can be an obstacle.

Both councils should therefore work to increase both the supply and quality of childminders at the same time:

**Lambeth and Southwark should expand and strengthen childminder networks, run out of Children's Centres.** There are international lessons around the role that childminder networks can play in increase quality of care in these settings that both boroughs can draw on\*. For example, in New Zealand, networks of childminders are supported by an early years teacher known as a coordinator. Coordinators do monthly home visits of all childminders and also organise group sessions for childminders and the children they are caring for. Public funding for childminders is contingent on them joining a network. In France, childminders are encouraged to participate in childminder centres, where they can take part in supervised play sessions and receive advice from a qualified child nurse.

Here in England, the move has been away from local authority childminder networks focused on quality. It used to be a requirement for childminders delivering the free entitlement that they were a member of a network (although numbers of childminders delivering the entitlement have always been low), and it was never a requirement that networks should be led by qualified teachers or early years professionals. This government has scrapped the requirement for childminders offering the free entitlement to belong to networks and has

shifted the emphasis away from childminder networks towards childminding agencies. It is not yet clear how much training and support will be available from agencies – and the extent to which there will be a focus on quality. Professionals themselves have raised concerns that this move could see declining standards of care\*\*. And nationally, evidence suggests that a falling number of Children's Centres are offering childminder drop ins\*\*\*.

In light of the international evidence, both boroughs should commit to expanding and strengthening childminder networks focused on improving quality through their Children's Centres. Where necessary the establishment of these should be encouraged, and where they already exist, they should be strengthened to encourage more childminders to join. These networks should:

- Be run by professionals with qualified teacher status or early years professional status.
- Offer free training in centres.
- Offer drop in advice sessions with qualified early years professionals.
- Offer shared play sessions with other childminders and children in their care.

By improving the amount of support available for childminders, these networks should also have a positive impact on supply.

**Both boroughs should explore the option of flexible childminder networks to broker parental access to childminders.** Brent Council has recently developed a 'flexible childminder network' model that has created a network of qualified childminders to provide

flexible, on demand childcare at short notice, including outside office hours and overnight care. Both boroughs should explore demand for this type of scheme, perhaps in conjunction with employers in sectors that require atypical hours such as in social care and health, or with Jobcentre Plus. A brokering network could also help parents access the free entitlement via childminders, provision of which by childminders is currently very minimal (just eight childminders in Southwark provide the free entitlement, for example). This must be implemented at the same time as reforms to improve the quality of childminders, however, or this would risk reducing the effectiveness of the free entitlement in ensuring all children are school-ready.

**Both boroughs should work with local further education providers to increase the supply of childminders.** Lambeth and Southwark should work with FE providers to expand places on apprenticeships and other pathways into childminding. There could be a particular focus on training local parents looking to return to the workplace, building on lessons from social care providers like the Three Sisters Care Agency who have worked to retrain mothers who have never been part of the labour market or left it when they had children. This fits with Southwark's formal commitment to support 5,000 residents into work and to create 2,000 new apprenticeships for local residents.

#### **Providing more business support.**

Childminders interviewed in the course of researching the commission identified the need for more business support to help them set up and remain sustainable as businesses. For example, some interviewees spoke about difficulties with IT affecting both their marketing and business operations. Southwark already has a business support infrastructure that includes

set-up and support and advice services\* that could also be extended to child-minders.

### **3. Increasing wraparound and holiday provision for school-age children through cooperative childcare schemes**

Lambeth Council has pioneered the cooperative approach to local service delivery as England's first cooperative council. The co-operative approach is about working with a range of stakeholders including parents, community representatives, national and local voluntary providers, private and maintained and social enterprises to find local solutions and unlock existing assets. Cooperative childcare solutions have significant potential to expand access to flexible and affordable provision, by supporting parents to contribute to create their own childcare solutions rather than simply relying on schools, private and voluntary sector providers and childminders. Both councils could build on Lambeth's existing cooperative provision, and examples from cooperative schemes elsewhere in the country (see box next page), to do more to support parents to contribute to and create their own childcare solutions.

**Both boroughs should facilitate the setting up of parent-run childcare cooperatives in order to address the gaps in provision for school-age children.** Learning lessons from successful childcare cooperatives in Lambeth, Cambridge and Edinburgh, they should support parents to set up and run their own pre-school, after-school and holiday provision which can also improve affordability as well as supply by giving parents access to low-cost (for example, £1 an hour) or free provision in exchange for them helping to run or staff schemes on a

\* 2014 resolution foundation report

\*\* Gaunt 2014; Gordon-Smith 2014 from resolution foundation report

\*\*\* Goff et al 2013 from RF report

\* <http://www.southwark.gov.uk/info/100002/business>

voluntary basis. This support could include:

- Provision of support, for example, training and workshops; support with running DBS checks; production of an interactive ‘how to’ kit for parents looking to set up cooperative childcare schemes.
- Brokerage to use unused spaces in the community.
- Looking at opportunities to use the councils’ asset transfer policies and community hubs programmes to offer access to buildings in local communities at below market rent.
- Facilitating the involvement of schools (for example, support from governing bodies or use of school premises).

- Setting up a steering group to facilitate local business support for cooperative schemes, for example through running a grant scheme, funded by local businesses.

**Both boroughs should set up childcare clubs for parents, which could operate on a ‘timebank’ principle.** These could, for example, help parents coordinate drop-offs and pick-ups from school with other local parents, and facilitate the set up of ‘babysitter circles’ whereby parents look after each other’s children in a reciprocal scheme.

## Cooperative childcare

Cooperative childcare – run by parents for parents – offers significant potential to expand low-cost or even free local childcare provision. There are a number of successful schemes already in operation in England.

For example, in Lambeth a group of parents set up a childcare cooperative called Childspace 25 years ago, when they wanted to find more nurturing and affordable childcare for their children, and it is still going strong today. Parents are required to work one session for every seven their child attends, supervised by a trained nursery work – for example, they plan and develop activities; prepare lunch; and prepare the nursery space. The local authority have played a critical and supportive role in ensuring quality.

In Cambridge, the Ace Cooperative is a parent cooperative childcare scheme where parents make a practical contribution through shopping, mending equipment, helping in the nursery and organising fundraisers. For parents with children aged 3-5, the commitment is five hours term; and for parents with children aged under three it is one hour a month. Those who are unable to commit to paying have the option of paying a contribution levy.

## 4. Incentivising quality, affordable provision through business rate discounts and council tax rebates

As discussed above, business rates and rents increase the cost of provision in the private, voluntary and independent sectors compared to in the maintained sector. Local authorities have the power to reduce the business rates of any local ratepayer through Section 69 of the Localism Act 2011. They could therefore seek to incentivise providers to increase quality, skills and wages by offering business rates discounts and council tax rebates to providers and childminders offering good and high quality care that offer a proportion of places to two-year-olds and make a commitment not to increase prices for parents above inflation for a set period.

**Both boroughs should explore the feasibility of offering business rate discounts and council tax rebates to nurseries and childminders offering high quality care,** for example to all settings that are rated as good or outstanding by Ofsted.

## 5. Using Children’s Centres to expand provision, especially for the two-year-old free entitlement

Where there are pronounced shortages of provision, for example in the two-year-old free entitlement, both boroughs should use Children’s Centres to expand provision, either by directly providing childcare through Children’s Centre or by offering Children’s Centres premises to other providers in the community.

## The role of the Mayor of London

The Mayor of London has an important role to play in strategically coordinating a London-wide approach to flexible, affordable and high-quality childcare.

**The Mayor’s Office should look into the feasibility of a London-wide affordable loan scheme** to enable parents across London to access no-interest loans to help them with the upfront costs of childcare and moving into work. Many providers ask for up to a month’s fees in advance as well as a deposit, which can be a significant barrier to parents accessing childcare. In Hillingdon, the council has worked with the Daycare Trust and a local credit union to provide low interest loans to parents to help them with these upfront costs\*, which has worked successfully.

**The Mayor’s Office should review Transport for London fares for parents working flexibly and part-time.** Transport for London reviewed its daily Oyster caps so that they are now a fifth of the cost of a seven-day travelcard, which has reduced the costs of travel for part-time workers. This is a positive step forwards, but the Mayor’s office should continue to keep Transport for London fares under review so they are not unfairly penalising employees working part-time and atypical hours, who are more likely to be low income.

**The Mayor’s Office should bring together a London-wide coalition of businesses** that commit to support their staff with their childcare needs.

\* <http://www.london.gov.uk/sites/default/files/Tackling%20childcare%20affordability%20-22%202%20MW.pdf>

## The role of local employers

Local employers can play an important role in helping their employees and parents in the local community to access flexible and affordable childcare:

**Business Improvement Districts across both boroughs should commit to making joint investments in childcare, such as through loan schemes or flexible working policies.**

**Local employers should commit to setting up workplace nurseries,** in conjunction with social enterprises and charities where appropriate.

The efforts of local employers should be supported by both councils:

**Both councils should investigate the feasibility of providing business rates discounts for employers that invest in supporting employees with high quality, affordable childcare.**

**Both councils should run a brokering service** putting in touch employers and charities and social enterprises interested in running workplace nurseries.

**Both councils should expand their requirement for businesses winning council contracts to pay the living wage, to other forms of family friendly working,** for example, by asking employers to sign up to Timewise or demonstrate good practices with respect to promoting the right to request flexible working and granting requests.



Children's Centres

**It is difficult to believe that Children's Centres did not exist 20 years ago, given the extensive network that now exists across the country.** This was a result of sustained investment until 2010, but the tough fiscal climate has resulted in significant cuts to the Children's Centre network. While the majority of centres have been kept open, evidence suggests there has been a hollowing out of services as falling budgets have forced managers to reduce the provision and services available (4Children 2014)\*.

Children's Centres were originally conceived as community hubs, with co-located services for families spanning childcare and drop-in play sessions, parenting support, midwifery and health visiting services, health services and employment support. But particularly in light of the cuts local authorities have experienced since 2010, there is huge variation in the extent to which Children's Centres across the country are fulfilling that strategic vision.

The funding challenges mean local authorities will need to be much more creative in ensuring that Children's Centres continue to fulfil their function as community hubs which all parents can drop into, meet other families and access universal services, but which also target the most intensive support services at parents most in need of it. Blending the universal and the targeted is difficult at the best of times, but is even more challenging at a time of fiscal consolidation. But it is key to making Children's Centres work: they cannot become stigmatised centres that only operate for at-risk parents, undermining their community function which enables parents to meet and support each other. Neither can they become places in which everything is accessible by everyone, or their services become dominated by the group

Naomi Eisenstadt has called 'the worried well', rather than the families and children with the highest levels of needs\*\*.

Only a genuinely progressive universal approach to service provision can ensure Children's Centres play their role in helping parents and children from different backgrounds to mix, but also offer targeted and personalised support spanning different types of services. Co-locating existing services in Children's Centres is not only an effective way of improving take up of different services by families due to increased awareness and convenience, it is also an importance way of boosting their community presence when resources are so limited.providers.

## Children's Centres as community hubs: best practice

There are many examples of Children's Centres acting as one-stop community hubs: Coin Street Children's Centre is itself an excellent example. It offers a range of different services, including a nursery, a holiday play scheme, family support services and family activities.

There are many other examples of Children's Centres acting as one-stop community hubs with strong parental engagement in the development and delivery of services, advisory boards representing the views and expertise of parents and local stakeholders alongside partner organisations, the LA and the children's centre provider. The effectiveness of this model is evident at Jubilee and Treehouse Children's Centres, where the board includes strong representation from parents on the local estate. These parents first attended a Community Champions course delivered within the children's

centre, and subsequently became engaged with a wide range of children's centre activity.

Health services contributed strongly to the hub model:

- The Baby Friendly Initiative (BFI) is a Unicef accredited programme being delivered across Lambeth's network of children's centres, and seeks to raise standards in the promotion and support for breastfeeding; peer supporters, Milk Spot breastfeeding cafes and a rigorous programme of staff training are effective in maintaining high numbers of mothers breastfeeding at 6–8 weeks.
  - Partnerships with Speech and Language Therapy across both Lambeth and Southwark are also very strong and well embedded, with a consistency of approach and an offer that is clearly understood and communicated. A recent innovation in this area of work has been to implement data sharing processes across in both boroughs to ensure that children who do not attend speech and language therapy appointments are immediately contacted by their local children's centre and offered support to either access further speech and language support within the centre, or to overcome other barriers which may prevent access to services. Some children's centres in Southwark and Lambeth offer childcare, and an increasing number are developing their services to allow for provision of the two year old free early learning offer, recognising that this is a key component of the early help offer and that they are best placed to provide the additional family support and training and learning opportunities needed to make it as effective an intervention as it can be.
- A range of services support the development of adult skills and access to employment through

Southwark and Lambeth children's centres; these include the central commissioning of ESOL and related adult learning provision, alongside entry level courses to develop parental confidence in supporting their child's home learning. In children's centres such as Ivydale in Southwark, Benefit and Tax Credit Advice sessions are held on a regular basis to help families find out what benefits are available to them. Through this centre, parents are also able to attend ESOL and Literacy Classes and even an NVQ level 2 in Childcare to help them find employment.

## Recommendations for Southwark and Lambeth

**Both boroughs should work together to share and develop best practice on Children's Centres** so that core Children's Centres serve as community hubs with a range of co-located services that provide both universal and targeted support to families. The scale of the cuts both councils are having to implement means that difficult decisions will need to be taken about how to consolidate and prioritise services across both boroughs, for example looking at a networked service model as developed by Brighton and Hove or the hub-and-spoke model that has been introduced in other areas, in which groups of centres share resources and staff. This may potentially need to include closures across the network of forty centres across both boroughs to enable remaining centres to be better resourced. Best practice in co-location of services includes:

- Midwifery and health visiting services, and ante-natal classes.

\* 4 Children (2014) Sure Start Children's Centres Census 2014 [http://www.4children.org.uk/Files/6f907ff7-35fe-4c6f-a3a4-a3cb00e1a11c/Children\\_Centre\\_Census\\_2014.pdf](http://www.4children.org.uk/Files/6f907ff7-35fe-4c6f-a3a4-a3cb00e1a11c/Children_Centre_Census_2014.pdf)

\*\* Eisenstadt N (2012) Providing a Sure Start London: Policy Press.

## Best practice from around the UK

Outside of the boroughs, **Islington** has pioneered a new approach in four of its Children's Centres based on the First 21 Months Programme, which focuses on improving pathways for women from conception to their baby's first birthday, and the role of Children's Centres in facilitating this and beyond. Jointly working with local health services, it coordinated care between midwifery, GPs and children's centres, with midwife and health visitor clinics taking place in the Children's Centres to promote a seamless transition from antenatal and postnatal care to other relevant family services\*.

**Islington** has also placed a strong emphasis on providing childcare in all 16 of its Children's Centres. Each has its own nursery, with up to one third of childcare places offered through a priority referral system for children identified as being at risk, and the rest of places being offered on a subsidised basis to ensure there is a mixed community within the setting. There is a particular emphasis on the qualifications of staff: all family support and outreach workers and nursery staff are qualified to level 3, and most of the family support and outreach managers have a social work qualification. Many Children's Centre Heads and family support outreach managers have completed the National Professional Qualification in Integrated Care Leadership\*\*.

In **Brighton and Hove**, Children's Centres are at the heart of integrated commissioning. Ahead of health visiting commissioning transferring to local authorities in 2015, the city's health visiting service has been seconded into the council through a Section 75 agreement. All Children's Centres are run as a citywide service led by three managers, two from a health visiting background, and one from social work. Integrated teams in each children's centre are led by health visitors, who supervise outreach workers. Centres are also staffed by citywide teams that offer services such as support with breastfeeding and Family Nurse Partnership. There has been an impact on breastfeeding rates and on outcomes for children living in the most disadvantaged areas. All of its centres have been judged as good or outstanding by Ofsted.

In **Wales**, a network of Sure Start Children's Centres across 11 areas were used to roll out Incredible Years, an evidence-based parenting programme for parents with children identified at risk of developing conduct disorder. Randomised control trial evaluation has shown that this approach of delivering targeted, evidence-based support via the Children's Centre infrastructure was highly effective, demonstrating significant improvements in child behaviour, parental mental health and positive parenting behaviours\*\*\*. This example shows the power of using the universal infrastructure of Children's Centres to deliver this kind of support to parents of children who have been identified as being at risk of poor development.

\* Messenger C and Molloy D (2014) Getting it Right, Early Intervention Foundation, <http://www.eif.org.uk/publications/getting-it-right-for-families-full-report/>

\*\* Messenger C and Molloy D (2014) Getting it Right, Early Intervention Foundation, <http://www.eif.org.uk/publications/getting-it-right-for-families-full-report/>

\*\*\* Hutchings J and Bywater T (2010) Evidence for the Incredible Years Programmes in Wales [https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=5&cad=rja&uact=8&ved=0CDwQFjAE&url=http%3A%2F%2Ffincredibleyears.com%2Fdownload%2Fadministrators%2Fimplementations%2Fwales-1Y-evidence-overivew.pdf&ei=9d6EVJKbJoz-ZavPXgYAL&usq=AFQjCNE\\_hCmfZ1ZsDX2YENvsVB9OPVkvkA&sig2=xxs7wog-mRSZmcteg0VU2Q&bvm=bv.80642063,d.d2s](https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=5&cad=rja&uact=8&ved=0CDwQFjAE&url=http%3A%2F%2Ffincredibleyears.com%2Fdownload%2Fadministrators%2Fimplementations%2Fwales-1Y-evidence-overivew.pdf&ei=9d6EVJKbJoz-ZavPXgYAL&usq=AFQjCNE_hCmfZ1ZsDX2YENvsVB9OPVkvkA&sig2=xxs7wog-mRSZmcteg0VU2Q&bvm=bv.80642063,d.d2s)

- Parenting support services.
- Employment support services, including Jobcentre Plus advisers trained to work specifically with parents of young children.
- Mental health services.
- Further education and training for parents.
- Effective outreach, which is so critical in ensuring the most at-risk families access services through their local Children's Centre\*.

**More Children's Centres to allow parents to register their child's birth.** A growing number of Children's Centres are now offering this service, including five in Lambeth, and it is proving an effective way of encouraging all new parents to make at least one visit to their local centre after their child is born, increasing awareness of what is on offer and the chance that parents will continue to engage in with services in the future. Children's Centres are also normally more accessible and family-friendly than town halls, where registration otherwise occurs. No legal or regulatory changes are needed to enable birth registration to take place in all Children's Centres, but local authorities will have to coordinate extra registrars to perform this service.

**Both boroughs should explore how to build upon the availability of Children's Centres at weekends, such as through parent-led provision.** Existing centres such as Nell Gwynn and 1st Place in Southwark offer stay and play sessions for parents at the weekends. An increase in parent-led provision will help mothers and father who work during the week to engage with Children's Centres and realise some of the benefits that come from being able to meet

other parents from the local community in a shared community space, but without significant financial costs. Children's Centres could encourage local parents to set up parents' committees at each centre, which would be given the opportunity to make use of centre facilities at the weekend.

**Both boroughs should look at how to increase the role that Children's Centres play in the provision of childcare.** As set out in the previous chapter, Children's Centres can particularly play a role in increasing provision for two year olds eligible for free provision, which is limited, and in supporting childminder networks to improve the supply and quality of childminders.

**Expand and share best practice on the linking up of family services and employment support.** This presents a particular challenge to integrated working given that unlike health and social services, the majority of employment support is commissioned nationally by the Department for Work and Pensions with both Southwark and Lambeth commissioning additional services on a local level. We have identified the following ways in which Children's Centres could be used to deliver back-to-work support to parents:

- Expand the existing co-location of Jobcentre Plus and Work Programme advisers in Children's Centres and GP surgeries. This can be a very effective way of engaging more parents in back-to-work support in a setting that is less intimidating than the local Jobcentre. Jobcentre Plus or benefits advisers who offer support and advice on site at Children's Centres help eligible parents claim childcare support through the tax credit system. A significant minority of parents miss out on this important source of financial support because of a lack of awareness or

\* Ball M and Niven L (2006) Outreach and Home visiting services in Sure Start Local Programmes <http://www.ness.bbk.ac.uk/implementation/documents/1388.pdf>

because they are not able to fill out complex forms (see next chapter).

- Build on existing back-to-work support, focusing on the needs of new parents. For example, schemes like Southwark Works, a specialist employment service for disadvantaged and unemployed Southwark residents could be co-located in Children's Centres. Its advisers work with people one-to-one in an informal way, supporting them to develop their IT, literacy, numeracy, team-working and people skills to support them back to work. The programme also provides access to approved childcare places and a childcare bursary for Southwark Works clients while they attend job interviews, training and work placements.
- Expanding affordable and flexible crèche facilities at Children's Centres to support parents engaging with employment services and training. Funding for these facilities is often available through the Jobcentre, Work Programme providers and other employment service providers.



Integrated commissioning in early years services

**Commissioning in early years services – like in many other areas of public services – is very fragmented.** Responsibility for commissioning early years services sits with:

- Local authorities, who commission Children’s Centres, and from 2015 will also take on the commissioning of children’s public health services such as health visiting. They are also direct providers of children’s social services.
- NHS England’s Area Teams, who commission health visiting services (including the intensive home visiting programme Family Nurse Partnership, targeted at first-time teen mothers), primary care services such as GPs, and child health information systems.
- Clinical Commissioning Groups (CCGs), who commission midwifery and acute child health services.

This fragmentation poses a huge challenge to the commissioning of early years services. Different commissioners will often use different outcomes frameworks, different assessment tools and different pathways.

This can lead to an ineffective use of resources and poor outcomes for local children, and murky accountability as to who is ultimately responsible for this. No one service has overall oversight of a child’s development, with midwives, health visitors, Children’s Centre staff, childcare providers and reception teachers making separate assessments without this information being available in one place.

There is a lack of consistent data available on the needs of the local population of children which can reliably assess which children and families need extra support, as well as a lack of

data showing which interventions have been proven to work.

Perhaps the most immediately-felt, challenge facing commissioners is the funding challenge. All local authorities are continuing to experience deep and severe cuts to their grants from central government, and Lambeth and Southwark, like other areas with high levels of deprivation, are experiencing a disproportionate burden of cutbacks. Lambeth is the 29th most deprived area in England, yet faces a cumulative decrease in spending power of £306.38 per resident between 2010/11 and 2015/16. Southwark is the 25th most deprived local authority in the country and faces a £155 r reduction in spending power per household in 2015/16 alone.

The last, and perhaps most immediately-felt, challenge facing commissioners is the funding challenge. All local authorities are continuing to experience deep and severe cuts to their grants from central government, and Lambeth and Southwark, like other areas with high levels of deprivation, are experiencing a disproportionate burden of cutbacks. Funding for childcare is protected – as funding both for the support provided for parents through the tax and benefit system and for the provision of the free entitlement for 3 and 4 year olds (and 2 year olds from disadvantaged backgrounds) is set by central government. But because of the scale of the cuts they are experiencing, both Lambeth and Southwark are being forced to cut funding for other early years services, including Children’s Centres. For example, Southwark have estimated that their Early Intervention Grant allocation fell by £6.1m or 29.6% in 2013/4. This will prompt very difficult and challenging questions about how to prioritise early years services vis a vis other services in

the borough, and how to consolidate and prioritise funding within the councils’ allocated early years budgets, for example in striking the right balance between universal and targeted early years services.

Business as usual simply isn’t an option: carrying on as is will see shrinking budgets undermining services and damaging children’s life chances, with the long term costs that carries.

In rethinking the commissioning of early years services in Lambeth and Southwark there are important developments to build upon.

Lambeth has recently been awarded of funding of £36 million for the Lambeth Early Action Partnership by the Big Lottery Fund’s A Better Start programme, a partnership that brings together local authority services, health services and the local voluntary sector to invest strategically in evidence-based early years services for children from conception to age 3 over the next ten years.

There will be much both boroughs can learn from and build upon from this partnership and its approach of early intervention over the next few years.

## Existing partnership working

The Knee High project, a joint collaboration between both boroughs, Guys’ and St Thomas’ Charity and the Design Council, has also provided funding for new innovations to improve the health and wellbeing of children under 5 in Southwark and Lambeth.

In both boroughs the establishment of health and wellbeing boards have created fora through which strategic conversations can happen between health, education and social services. Lambeth and Southwark – with their very similar populations and profiles – have also increasingly been working together since 2010; for example, the two boroughs now share a Director of Public Health.

Both boroughs also have a strong history of integrated partnership working, for example Lambeth’s local strategic partnership, Lambeth First, is award-winning and highly-regarded, and Lambeth has already integrated commissioning between the CCG and local authority to some extent via its Children’s Trust Board.

## Best practice in integrated commissioning

The Early Intervention Foundation (EIF) has recently completed a review of integrated commissioning for early intervention services for children from conception to age 5. It has identified good and promising practice in integrated commissioning based on its work with local authorities across the country, and how local areas can overcome the common issues and challenges in implementing integrated systems. A summary of these can be found in Appendix 2.

A good example of a combined area that has taken this approach is the Greater Manchester partnership of local authorities, who have developed a common strategy around the commissioning of early intervention services, which has a strong emphasis on:

- A shared outcomes framework.
- Integrated assessment.
- Common application of a robust evidence base, with a menu that includes both evidence-based programmes and promising innovations – which members of the partnership have committed to monitor and evaluate (and decommission if they prove to be ineffective).
- Parenting programmes, given the importance of parenting in child outcomes.

## Recommendations for Lambeth and Southwark

**Lambeth and Southwark should continue to develop partnership working and integrated commissioning with a strong ethos of early intervention and robust methods for sharing data and best practice.**

This should bring together officials and elected members from the two councils, local health services, the police, local schools, Children's Centres and childcare providers, Work Programme providers and local parents. Any work should be informed by the work of the Early Intervention Foundation on what makes

for effective and integrated commissioning, and it should build on the work that has already been undertaken by the Lambeth Early Action Partnership, for example on priority outcomes. It should review and build on existing practice in the following:

- How data about population-level needs is used to inform service planning.
- How best to undertake joint and early identification of children and families' needs across both boroughs to inform the targeting of services, using a common and evidence-based assessment framework.

- A shared framework for prioritising and measuring school readiness outcomes, spanning children's physical; social, emotional and behavioural; and cognitive development.

- Ensuring all partners are using the best available evidence about what works in improving child outcomes.

- Mapping existing funding streams and provision to enable a strategic consolidation and prioritisation of services.

- Information sharing between different professionals, building on the experiences of areas such as Warwickshire that have been highlighted as working innovatively in this area by the EIF.

- A long-term plan for pooling budgets across different areas in both boroughs, in light of the evidence from the EIF that integration works best when health and local authority budgets are formally pooled through Section 75 agreements, for example as they have been in Swindon.

- Ways of ensuring particular groups of children with high-level needs are able to access the support they need before starting schools, for example, children with special educational needs and disabilities and children with English as a second language. For example, specialist provision may be provided by top-slicing a proportion of schools' pupil premium allocation to fund services that support the transition to school for these groups of children.

- Calculating savings that could be generated through further integration across boroughs, especially of back-office savings.

**Lambeth and Southwark should liaise with schools to pool and invest a proportion of schools' pupil premium funding from the Dedicated Schools Grant in pre-school interventions to support school readiness and transitions to school** as part of an 'invest to save' approach within this strategy. This is no easy undertaking: it will require deep commitment from across both boroughs from a range of different partners. But it is critical if both boroughs are going to rise to the challenge of delivering more for less in early years services, and the experiences of other partnerships such as the Greater Manchester Partnership have shown how this approach can pay dividends.

## Recommendations for central government

The Commission is reporting in the context of a very live debate about decentralisation within England, which has heightened in the wake of the Scottish referendum and political commitments from all the main parties that there will be a new devolution settlement for English local authorities.

As recommended by others\*, **government should provide support to local areas for pooling budgets and shifting resources into early intervention** by setting aligned, five-year budgets for councils, the NHS and other local services in the 2015 spending review. This would support local leaders in coping with what will be another extremely tight spending review, while helping them overcome some of the institutional barriers to investing in early intervention and prevention. It would also give local leaders and citizens the freedom to undertake the big-scale service reconfigurations and strategic partnerships that will be required to allow local areas to take a different approach given deep cuts to budgets.

\* See for example, Lawton K, Cooke G and Pearce N (2014) The Condition of Britain: Strategies for social renewal, IPPR. <http://www.ippr.org/publications/the-condition-of-britain-strategies-for-social-renewal>





Empowering parents to give their children the best possible start

**It is of course parents that play the most critical role in their child's development in their early years**, through the relationships and attachments they build with their children, the extent to which they create an enriching home learning environment filled with conversation, play and story-telling and through diet, nutrition and activity levels. Early years provision must therefore have at its heart support for parents to develop the skills and attitudes they need to provide the best home environment for their babies and toddlers.

First, it is critical that early years services provide targeted, evidence-based programmes to parents and families most at risk and in need of support: for example, young mothers from disadvantaged backgrounds, parents of children at risk of developing emotional and behavioural problems, and parents who have no or low educational qualifications themselves.

Second, Lambeth and Southwark should be looking to facilitate the role of parents themselves in supporting each other, as co-designers and co-producers of services.

### Evidence-based and targeted parenting and early learning programmes

**Both boroughs should continue to review the use of evidence-based parenting support programmes** such as Family Nurse Partnership, Incredible Years and Triple P, and ensuring that the Children's Centre network is used to increase access to these programmes, moving funding away from programmes that are not evidence-based. The councils should draw on the Early Intervention Foundation's live database of what works in enhancing parent

and child interaction and the development of language, communication and social and emotional skills (due to be published in early 2015).

**Both boroughs should also support the provision of evidence-based family learning programmes through Children's Centres**, targeted at parents with low levels of prior educational qualification.

**The menu of programmes on offer via Children's Centres should draw on work that has already been done for the LEAP partnership**, which sets out plans for the following in the Lambeth wards it will apply to over the next ten years:

- A new early literacy programme for the under 3s.
- A new model of provision for children with English as a second language via the Children's Centre network.
- Newly built space and resources in children's centres for parents and children to learn together.
- Early identification of social and emotional needs through screening.
- Extended access of Family Nurse Partnership to all first time young parents.
- Access to the Wait, Watch and Wonder programme for parents who are having difficulties establishing attachment with their child.

## Facilitating parent-led peer support

In both boroughs, there is a real commitment to empowering trained parents to support other parents. For example, Lambeth has introduced a Parent Champions programme in conjunction with the Family and Childcare Trust, in which parents are trained to engage other parents, provide accurate information about local childcare working with the local Family Information Services, and encourage participation in early learning, childcare and other children's services. Parent Champions volunteer for an average of five hours per week\*. Lambeth will be expanding this programme through its LEAP plan, in which community champions will be trained to provide support to new parents and build connections within the community, reducing social isolation, reflecting Lambeth's cooperative approach to coproduction.

Community Mothers is another parent-led peer support programme, in which existing mothers in local communities are trained to support breast-feeding and given information and advice about healthcare, nutrition and child development. Evaluations of this programme suggest it improves parenting skills, the diet of both mothers and their children, and improves take-up rates of immunisation programmes\*\*.

**Both boroughs should commit to expanding support for parent-led programmes such as Parent Champions and Community Mothers.**



Conclusion and summary of recommendations

\* Family and Childcare Trust, Parent Champions – who we are and what we do, <http://www.actionforchildren.org.uk/media/8385589/pccasestudiesweb.pdf>  
 \*\* <http://www.preventionaction.org/reference/community-mothers>

**The tough fiscal context local councils are facing up and down the country makes it more important than ever that a range of actors come together to ensure parents are able to access the affordable and flexible childcare they need**, and that quality childcare and early years services are working with parents to ensure that all children start school with the skills they need, regardless of what social background or which part of the boroughs they are from. This is particularly true in inner London boroughs like Lambeth and Southwark, which are characterised by high levels of inequality, with areas of great affluence but also great deprivation, and whose parents, particularly low-income parents, need to work atypical hours in jobs with long commute times. Below is a summary of recommendations for central government, local government, the London Mayor and for local employers. We believe that if the recommendations in this report are implemented, we would see parents in both boroughs being able to access the childcare they need, and the gap in outcomes for children in different backgrounds reduced, ensuring they are all starting school ready to learn.

## Recommendations for central government

- Government should consolidate existing funding for Education, Early Years and Childcare, taking a 0–18 approach.
- Government should give local authorities more control over how this budget is spent.
- In the short term, Government should commit to scrapping the planned changes to funding of the two-year-old entitlement due to come in in 2015.

## Recommendations for the Mayor of London

- The Mayor's Office should look into the feasibility of a London-wide affordable loan scheme to enable parents across London to access no-interest loans to help them with the upfront costs of childcare and moving into work.
- The Mayor's Office should continue to review Transport for London fares for parents working flexibly and part-time.
- The Mayor's Office should bring together a London-wide coalition of businesses that commit to support their staff with their childcare needs.

## Recommendations for local employers

- Business Improvement Districts across both boroughs should commit to making joint investments in childcare, such as through loan schemes or flexible working policies.
  - Local employers should commit to setting up workplace nurseries, in conjunction with social enterprises and charities where appropriate.
- The efforts of local employers should be supported by both councils:
- Both councils should investigate the feasibility of providing business rates discounts for employers that invest in high quality, affordable childcare support for employees.
  - Both councils should run a brokering service putting in touch employers and charities and

social enterprises interested in running workplace nurseries.

- Both councils should expand their requirement for businesses winning council contracts to pay the living wage, to other forms of family friendly working, for example, by asking employers to sign up to Timewise or demonstrate good practices with respect to promoting the right to request flexible working and granting requests.

## Recommendations for Lambeth and Southwark Councils

### Childcare

- Lambeth and Southwark should improve access to information about local childcare by facilitating the creation of an online childcare portal.
- Increasing the awareness of existing provision as well as the supply and quality of childminders, by:
  - ▶ Establishing and extending childminder networks, run out of Children's Centres, focused on improving the quality of childminding.
  - ▶ Expanding and strengthening flexible childminder networks to broker parental access to childminders.
  - ▶ Working with local further education providers to increase the supply of childminders.
  - ▶ Providing more business support for childminders.
- Lambeth and Southwark should support more before- and after-school provision and holiday

provision for school-age children through by supporting parents to set up cooperative childcare schemes.

- Both boroughs should set up childcare clubs for parents, which could operate on a 'timebank' principle. These could, for example, help parents coordinate drop-offs and pick-ups from school with other local parents, and facilitate the set up of 'babysitter circles' whereby parents look after each other's children in a reciprocal scheme.

### Children's centres

- Both boroughs should work together to share and develop best practice on Children's Centres.
- More Children's Centres to allow parents to register their child's birth.
- Both boroughs should explore how to expand the availability of Children's Centres at weekends, such as through parent-led provision.
- Both boroughs should look at how to increase the role that Children's Centres play in the provision of childcare.
- Expand and share best practice on the linking up of family services and employment support.

### Integrated commissioning

- Lambeth and Southwark should continue to develop partnership working and integrated commissioning with a strong ethos of early intervention and robust methods for sharing data and best practice.
- Lambeth and Southwark should liaise with

schools to pool and invest a proportion of schools' pupil premium funding from the Dedicated Schools Grant in pre-school interventions to support school readiness and transitions to school as part of an 'invest to save' approach within this strategy.

### **Supporting parents to do the best for their children**

- Both boroughs should continue to review the use of evidence-based parenting support programmes such as Family Nurse Partnership, Incredible Years and Triple P, and ensuring that the Children's Centre network is used to increase access to these programmes, moving funding away from programmes that are not evidence-based. This is already happening as part of Lambeth's LEAP programme.
- Both boroughs should also commit to supporting the provision of evidence-based family learning programmes through Children's Centres, targeted at parents with low levels of prior educational qualification.
- Both boroughs should commit to expanding support for parent-led programmes such as Parent Champions and Community Mothers.



## **The Early Intervention Foundation's recommendations on best practice in integrated commissioning**

**1.** Establish a joint planning group for early years integrated working that has its governance set within the local corporate planning system and commissioning. Where there is senior leadership and commitment to service development, the outcomes have been shown to be more successful e.g. Brighton and Hove, and Swindon where integration has been in place for a number of years with formal Section 75s in place to enable this.

**2.** Ensure that the risks and early indicators of need are reported through the Joint Strategic Needs Assessment and that there is a system to provide relevant data at local level to inform commissioning and delivery. As the HWB matures, the HWB Joint Strategy will be key to identify need and to direct resources. Good JSNAs already identify needs at ward level that can not only inform commissioning intentions, but also help to identify vulnerable groups that would benefit from Early Intervention and measure the impact of Early Intervention over time.

**3.** Develop a shared outcomes framework. To develop an integrated system there must be agreement of priorities across relevant partners and supporting outcomes. Developing a theory of change is vital to ensure that the outcomes being measured are supported by relevant indicators, and that appropriate evidence-based interventions and services are being commissioned to meet these outcomes.

**4.** Look at opportunities for joint training and developing a shared vision among professionals working in the early years. Learning from Early Intervention Places that have achieved integration across health and LAs emphasises the importance of the workforce, developing a shared vision, understanding different roles

and taking opportunities to build informal relationships. Shared training was seen as a mechanism of supporting this and identifying key areas where consistent messages are required to support families.

**5.** Look at the potential to integrate the two year development check and the Early Years Foundation Stage progress check for children. Bringing together the two year development check (delivered by Health Visitors) and the Early Years Foundation Stage progress check for children (attending a childcare setting) into a single integrated development check at the age of two is a real opportunity to see how children are developing and to identify problems early. This integrated assessment can also provide a benchmark of rounded childhood development in the early years.

**6.** Plan a process for developing integrated pathways. A well-integrated early years model needs to have integrated assessment and delivery and is more than just aligning services. Developing integrated pathways ensures staff with the relevant competences are supporting the right area of need. It also reduces duplication to offer a single service and support for families.

**7.** Address information sharing early. To support integrated working there needs to be an information sharing agreement between relevant partners. This normally takes the form of a high-level partnership agreement at corporate level, and then more detailed agreements between relevant departments such as between health visiting and children centres on live birth data and sharing information on individual needs of a family. When upgrading local authority IT systems to incorporate the NHS number in adult social care records databases, consider similar

steps for children's social care. This will become easier from 2015, when completed work on the national Child Protection Information Service project will mean that almost all LAs will have the capacity in their information systems to record NHS number in their databases for children in need, children subject to child protection plans, those who are looked after and those with SEN/disabilities with Education Health and Care Plans.

**8.** Establish relations and work closely with NHS England area teams. Transition of responsibilities to LAs for children's public health commissioning for zero to 5-year-olds is a significant step towards commissioning an integrated service. Early engagement with NHS England to discuss what co-commissioning means locally and the details of current commissioned health visitor service is vital. Some areas are already discussing a more integrated service delivery through these meetings



## The Commission's terms of reference

**1.** The Commission will review existing policy and practice in childcare provision, with particular reference to the experience of parents, children and childcare providers in the central London boroughs of Southwark and Lambeth. The aim of the Commission will be to examine the challenges and opportunities in this area and to make recommendations for changes to policy and practice at a national, regional and local level in order to secure childcare provision that:

- is accessible and affordable to parents
- supports parents to be economically active
- is flexible enough for the 24 hour economy and working patterns of parents,
- delivers quality education and development for children in the early years,
- delivers an appropriate offer for older children.

**2.** In order to be able to make such recommendations, the Commission will need to address the following stages:

### Data gathering

- a)** Review existing documentation on local provision in Southwark and Lambeth, including the councils' most recent sufficiency assessments.
- b)** Review existing studies and reports on provision nationally and within London.
- c)** Review recent studies on the importance of early years education to children's later development.
- d)** Take evidence from local parents and children.

- e)** Take evidence from local childcare providers of all kinds.

- f)** Take evidence from Southwark and Lambeth Councils and the wider local government community.

### Policy review

- a)** Review the current mechanisms for funding childcare directly and indirectly and their relationship with the tax and benefits system.
- b)** Review the changes in policy announced by the coalition government and stated policy proposals by the Labour party.
- c)** Review the local policies of Southwark and Lambeth Councils.
- d)** Review existing comparator studies of policy and practice in other OECD countries.

### Analysis and appraisal

- a)** Examine the challenges for parents and providers inherent in the existing arrangements for the funding and delivery of childcare provision, including any artificial barriers to parental employment.
- b)** Consider opportunities for improvement, including to the current funding regime, the tax and benefits system and the provider market.
- c)** Make recommendations for changes to policy and/or practice at national, regional and local level, based on the above analysis to improve the quality and affordability of childcare.

### Proposed approach

**3.** The Commission comprises of a small group of individuals with relevant expertise

and perspectives in early years education and development, the childcare market, government and the economy. The Commissioners are:

- Naomi Eisenstadt – Senior Research Fellow at the University of Oxford.
- Tony Travers – Academic and Journalist, specialising in issues affecting local government
- Vidhya Alakeson – Former Deputy Chief Executive of Resolution Foundation during the commission now Chief Executive of Power to Change
- Kathy Sylva – Professor of Educational Psychology at Oxford University.
- Anand Shukla – Former Chief Executive Family & Childcare Trust during the commission, now Chief Executive of the education charity Brightside.

**4.** The Commission will be chaired by the Rt Hon Dame Tessa Jowell MP. Dame Tessa has represented the London constituency of Dulwich and West Norwood, which comprises parts of Lambeth and Southwark, as a Member of Parliament since 1992. Prior to this, she had been a child care officer in Brixton and then a family therapist and psychiatric social worker at the Maudsley Hospital. While a Member of Parliament, Tessa served on the opposition front bench until 1997 when she was appointed to the Government, becoming the first ever Minister for Public Health and implementing the widely acclaimed Sure Start Programme to support childhood and early infancy. After the 2001 election Tessa joined the Cabinet as the Secretary of State for Culture, Media and Sport. In this role she is credited with bringing the whole government behind the decision to bid

for the London 2012 Olympic and Paralympic Games. Subsequent to stepping down as the Shadow Olympics Minister in 2012, Tessa was appointed to lead a global campaign to ensure an integrated approach to the early childhood years in the post Millennium Development Goals framework. Tessa was appointed a Dame in 2012 for political and charitable services.

**5.** IPPR has been procured to provide a secretariat to the Commission, support its research, data gathering, analysis and appraisal, and the drafting and editing of its report. The host will be jointly funded by Southwark and Lambeth Councils. Each council will provide a named lead officer and project officer to link directly with the host and more generally support the work of the Commission.

**6.** The Commission will be empowered to take evidence from individual experts and relevant organisations of its choosing and to commission further research. The Commission is expected to draw on evidence from a wide range of sources, including academia, independent “think tanks”, Government, GLA, LGA, London Councils, local childcare providers, local organisations with an interest in childcare, and local parents and children.





<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 17 March 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Age-Friendly Southwark	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Dora Dixon-Fyle, Adult Care, Arts and Culture	

### **FOREWORD – COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR ADULT CARE, ARTS AND CULTURE**

I am delighted to present this report to cabinet as it launches Southwark's formal transition to becoming an age-friendly borough – something very close to my heart.

It provides an exciting opportunity to recognise and value the contribution that older people make to our borough – for their wealth of experience, continuing to work, volunteer or care for relatives or provide childcare.

A borough which is age-friendly towards its older people will have benefits for all age groups and by talking to people now – including those who do not consider themselves old, the next generation – we can get an insight to what Southwark should be doing now to make life better for our future older folk.

In Southwark we have a wealth of diverse, cultural, social & leisure opportunities in the borough including world class theatre and arts organisations- a number of which are particularly welcoming to older people and those with dementia, and as a result and through the leadership of the council a large number of organisations have signed up to the Southwark Dementia Action Alliance.

In addition, the council's Fairer Future promise of free swim and gym is shortly to be piloted and we hope this will encourage and emphasise the importance of taking regular exercise at any age for its health and social benefits.

We have also commissioned targeted employment support to those over 50 who face barriers to the labour market as part of our borough-wide programme of delivering our economic well-being strategy. And we are shaping other key strategies too – for example we have just agreed our first age friendly housing strategy.

We want Southwark to be a place where people want to live, stay and grow old in and organisations, many in the voluntary and community sector, are springing up in the borough and help to enable that to happen.

That's why we want to talk to all age groups, as part of our community conversation, to learn about what matters most to them. This affects all ages, so will be an inclusive conversation.

Not everything may be within our control; resources are limited so communities and individuals will need to do some things for themselves, but we will work with our partners and other services to make age friendly Southwark a reality.

## RECOMMENDATIONS

1. That the cabinet agrees the proposal to hold a borough-wide community conversation on making Southwark an age-friendly borough and supporting residents to age well, and notes the involvement of stakeholders in the development of these proposals.
2. That cabinet approves Southwark's letter of application to become part of the World Health Organisation's network of age-friendly cities (Appendix 2).

## BACKGROUND INFORMATION

3. The World Health Organisation (WHO) has developed the idea of age-friendly cities, which are themselves based on the concept of active ageing- a lifelong process of 'optimising opportunities for health, participation and security to enhance quality of life' for people as they age. In an age-friendly city, services, policies and structures are in place to enable people to age actively by:
  - recognising the wide range of capacities and resources among older people
  - anticipating and responding flexibly to ageing-related needs and preferences
  - respecting their decisions and lifestyle choices
  - protecting those who are most vulnerable
  - promoting their inclusion in and contribution to all areas of community life.
4. At the Council Assembly meeting on 22 January 2014 the Consortium of Older Peoples' Services in Southwark (COPSINS) presented a deputation which asked the council to commit to becoming an age-friendly borough and to develop a strategy to make this a reality.
5. On 2 July 2014 Cabinet agreed the draft Council Plan which set out the council's new fairer future promises, of which Promise 10 was an 'Age Friendly Borough'. On 22 July 2014 Cabinet agreed the ethical care charter and a new commissioning strategy for intergrated community support, itself underpinned by the ethical care charter. The charter underpins the future commissioning approach for care in Southwark, helping to improve outcomes for those people who have a care and support need. As part of the age friendly commitment, on 18 November 2014 Cabinet agreed to work towards becoming a dementia-friendly borough, to join the newly established Southwark Dementia Action Alliance, and to sign the National Dementia Declaration.
6. During 2014/15 a review of good practice in relation to the WHO age friendly city programme was conducted, including a visit by the Cabinet Member for Adult Care, Arts and Culture and senior officers to London Borough of Camden, one of 12 UK members of the age friendly cities network.
7. On 25 February 2015 Council Assembly approved the Council Plan 2014-18, alongside the revenue budget for 2015-16. This report formally launches the community conversation on becoming an age-friendly borough which will set the direction for the council delivering on this important commitment over the next four years.

## KEY ISSUES FOR CONSIDERATION

### The borough's demographics

8. While Southwark's population is younger than the London average, and the percentage of older people slightly smaller than the London average, the borough is still projected to experience a 63% increase in the number of people aged 65 or more between 2012 and 2032 according to the Greater London Authority's projections. There is also projected to be a 73% rise in the population aged 85 or more during the same period.
9. According to the Southwark Joint Strategic Needs Assessment (JSNA), currently, 81% of older people living in Southwark are of White ethnicity. The second largest group is Black/Black British (13%). In the future there will be increasing numbers of and an increasing proportion of older people from Black and ethnic minority groups.
10. Again according to the JSNA life expectancy at age 65 for both men and women is higher in Southwark than London or England. However a man in the most deprived 20% of the population dies on average 9.5 years earlier than one living in the least deprived. For women, the corresponding gap is 6.9 years. Over 4 in 10 people aged 65 or older in the borough live alone. The ageing population and how well (or otherwise) Southwark's older population ages will have implications for how the council plans and provides services for older people in the future.

### Benefits of Southwark becoming an age-friendly borough

11. Southwark is a dynamic, challenging and exciting borough in which we want our residents to age well. There are many opportunities for people as they grow older, whether that's through employment, volunteering, better health and leisure, and more and better quality housing built to the lifetime homes standard. However there are also many challenges in terms of the costs of providing health and social care, and the general cost of living. Over and above seeking to be an age-friendly borough that meets recognised standards identified by the WHO, Southwark wants to be a borough in which its residents age well with positive life outcomes and opportunities throughout.
12. There are a number of benefits to being an age-friendly borough and in recognising the contribution that older residents make to the borough, including:
  - **Employment** (older people remaining/returning to work helps to support the local economy through retaining expertise, and through benefiting from enhanced spending power. Remaining active has positive benefits for individuals' health and wellbeing).
  - **Volunteering** (older people giving their time and expertise benefits the voluntary and community sector (VCS) which in turn benefits the borough's residents who receive the services the VCS provides. Remaining active has positive benefits for individuals' health and wellbeing).
  - **Caring** (older people caring for sick and disabled relatives reduces the impact on hard-pressed social care and health services).
  - **Child care** (older people providing child care for grandchildren etc. enables their parents to return to work, benefiting the local economy).

13. Southwark believes that becoming an age-friendly borough has benefits both for individuals and for the wider community (whatever their age). It is recognised that a borough that is age-friendly towards older people will have many benefits for all communities in the borough. It also helps to deliver a future that is fairer for all of the borough's residents. For example, secure neighbourhoods are safe for everyone who lives there, enabling older people, women and children all to feel safe to leave their homes and to participate in social, leisure and sporting activities. Barrier-free buildings are also accessible for all people with disabilities whatever their age, and also for families with young children. The local economy will also benefit from the purchasing power of older consumers.
14. There is long-held scientific consensus on the positive benefits of exercise on healthy ageing. This also demonstrates the benefits of exercise on tackling conditions such as depression. Recent medical studies have focused on the negative health impacts of social isolation. Being lonely or isolated can affect blood pressure, cause depression and is associated with higher rates of mortality (Social Care Institute for Excellence). Services, communities and good neighbours can all help to improve the quality of life for older people, reducing the reliance on more costly services.
15. Additionally, if the borough's residents are supported to age well, particularly by making positive choices about their health, and by planning for the long-term, this will help to minimise some of the impacts on stretched public services such as health and social care, in the light of diminishing public sector resources in the medium-term.
16. Because of the benefits to individuals, to the wider community, and the potential savings in the medium- long-term to public services at a time of considerable financial pressures, this is why we have chosen to prioritise making Southwark an age-friendly borough. In order to put the right programme together, we are holding a community conversation with residents, partners and others, the details of which are set out below and in Appendix 1.

### **Community conversation with residents**

17. It is proposed to hold a community conversation on becoming an age-friendly borough, and on supporting residents to age well. We want to talk to our residents about how we make our borough a place where ageing is positively celebrated and embraced. Southwark wants to be a borough where we put a value on the contribution of the older population and the difference they make to the local community and local services, and where we actively encourage older people to remain in the workplace in order to retain their expertise and experience.
18. The purpose of the conversation is, together with residents, to come up with clear actions where we need to do more together to help our residents to age well, and also identify how we encourage others- service providers, local employers, community organisations, faith groups- to participate more to help us to achieve our ambition.
19. We also hope to identify a group of older residents that we can continue to work with on our action plans on a long-term basis. This is one of the requirements of the WHO Age Friendly Cities programme, but we also want to move beyond this to establish a genuine partnership between the council and older people in

service design and planning for the future.

20. Outline details of the proposed community conversation programme are attached at Appendix 1. Representatives from COPSINS and Healthwatch have assisted the council in drawing up the outline programme. To 'kickstart' the process expert representatives from the Centre for Policy on Ageing will hold a workshop with key stakeholders and older people to assist in the detailed design.
21. The community conversation will use existing forums and meetings, but in order to ensure that it captures a mix of views it will also use a variety of ways to engage with those residents who do not traditionally come into contact with the council's formal engagement structures. All residents in the borough will have the opportunity to participate, but the main focus of this consultation will be those residents who are over 40, carers, service providers for older people, and community organisations that offer support to and involve older residents. The conversation will also use web-based communication, and also recruit age-friendly champions to engage with residents, particularly among older people.
22. It is anticipated that the community conversation will commence following agreement of this report and will complete in Autumn 2015.

## **Policy implications**

### **World Health Organisation age-friendly cities programme**

23. The World Health Organisation (WHO) released its policy framework on Active Ageing in 2002. This formed the basis of its age-friendly cities programme. The WHO defines an age friendly community as one where "policies, services and structures related to the physical and social environment are designed to support and enable older people to 'age actively', that is, to live in security, enjoy good health, and continue to participate fully in society'.
24. The WHO has produced a checklist of essential features of age-friendly cities to assist cities in becoming more age-friendly. It consists of eight key areas, or 'domains' as they are described, as follows:
  - Outdoor spaces and buildings
  - Transport
  - Housing
  - Social participation
  - Respect and social inclusion
  - Civic participation and employment
  - Communication and information
  - Community and health services.
25. It should be noted that the Council does not have direct control over all of the areas described within all of the domains, as some of them fall to other bodies, such as the NHS, the Mayor of London, or private sector organisations such as cinemas, small business owners, or public companies. However there may still be scope for the Council to use its influence over some of these organisations to promote age-friendliness, for example in the case of ensuring accessible public transport.
26. It is proposed that Southwark applies to join the WHO global network of age-

friendly cities. To join the WHO network of age friendly cities and communities cities must:

- Complete an online application form
- Attach a letter from the Mayor/administration indicating their commitment to the network's cycle of continuous improvement
- Commence the network cycle of four steps as outlined below:
  1. Establishment of mechanisms for involving older people throughout the Age-friendly Cities and Communities cycle
  2. Development of a baseline assessment of age-friendliness of the city
  3. Development of a 3-year city-wide action plan based on the findings of this assessment
  4. Identification of indicators to monitor progress against this action plan.

27. Applications to the network are processed quarterly in February, May, August and November. The intention is to submit Southwark's application in May 2015. Southwark's letter of application to join the WHO age friendly cities network is attached at Appendix 2.

### **The Council Plan and Fairer Future Promises**

28. Becoming an age-friendly borough is one of the council's fairer future promises. As part of the delivery of this promise it is a Council Plan target to carry out stakeholder engagement and self-assessment on becoming an age friendly borough. A stakeholder reference group consisting of the Consortium of Older Peoples' Services in Southwark (COPSINS), Healthwatch and Southwark Pensioners' Forum and council officers was established which has helped to develop the proposals for the community conversation.

### **Health and Wellbeing Strategy 2015-2020**

29. The six Health and Wellbeing Strategy priorities include one of specific relevance to the age-friendly agenda. Priority 5 includes a commitment to ensure 'choice and control for people with disabilities and supporting independent living for older people in an age-friendly borough'. It is a specific priority of the strategy to 'Enable older people to live independently in an age friendly borough'. The strategy recognises the importance of prevention, and maintains a significant investment in areas such assistive technology which is now free for anyone over 85 years of age, as well as anyone at any age with a dementia diagnosis.
30. The Health and Wellbeing Strategy also has a major contribution to make to the theme of ageing well. In terms of priorities for 'Improving our health and wellbeing' the strategy identifies a number of evidence based key areas for action. These include actions such as reducing alcohol intake and stopping smoking, but they also identify the need for residents to take increase exercise through activities such as cycling and walking. These will be supported through Southwark's new Cycling Strategy, due to be launched later this year.

### **Housing Strategy to 2043**

31. As part of the Council's commitment to becoming an age-friendly borough, Cabinet approved its first age-friendly long term housing strategy to 2043 on 27 January 2015. This included a number of measures to increase older people's housing options, including specialist housing and housing support. It also included measures to ensure that homes are accessible and new homes built to

lifetime homes standards. Specific age-friendly actions included:

- Delivering additional extra care housing for older people and carrying out improvements to sheltered housing schemes
- Developing a Centre of Excellence for people living with dementia and associated complex needs
- Building a standard of lifetime homes that are Age Friendly and Dementia Friendly
- Exploring new technology to help people retain their independence at home.
- Building new homes supported by a range of quality community facilities making them attractive and safe places to live for people of all ages.

### **New Southwark Plan**

32. The New Southwark Plan will set out a development strategy for the borough for the next 15 years. It will be an important tool for promoting healthy and inclusive lifestyles. It will promote healthy streets and neighbourhoods with pleasant town centres to shop, socialise and get access to health services all within walking distance and very convenient for cycling. This will support our aim to be an age-friendly borough. Alongside this the New Southwark Plan will help to promote a wider range of different types of homes that will help to meet the needs of an ageing population, and encourages the identification of sites for specialist housing which could include extra care, sheltered or supported housing.

### **Economic Wellbeing Strategy**

33. Southwark's Economic Wellbeing Strategy 2012-20 has specific ambitions relevant to older people that have implications for Southwark as an age-friendly borough. Specifically:
- Employment – Narrowing the gap with the London employment rate. Employment support in Southwark identifies the over 50's as a particular priority and resources are invested in providing employment support for this cohort.
  - Promoting financial wellbeing and independence – with regards to the financial wellbeing of our residents, the strategy has ambitions to transform advice services for residents with complex needs and support the voluntary and community sector to develop effective models for delivering support.

### **Cultural Strategy 2013-18**

34. The Council's cultural strategy was agreed on 16 July 2013 and an update on progress with implementation was provided to Cabinet on 27 January 2015. Culture and the arts are an important vehicle for engaging older people. The theme of the strategy of most relevance to the age-friendly agenda is 'People and Audiences', which recognises the need to support the cultural sector to increase and diversify audiences and be aware of the changing nature of the local community. This includes recognising the work that is rooted in local communities, encourages engagement and participation and is accessible to Southwark's diverse communities.

### **The Council's Workforce Strategy and workforce policy**

35. Cabinet agreed its Workforce Strategy 2013-16 on 22 October 2013. On 21

October 2014 an update was presented to Cabinet. This found that:

- The average age of Southwark employees was 44.9 years
- Predominantly employees are in the 40-54 years band
- 20% of the workforce are aged 55 and older.

36. The council seeks to encourage learning & development and career opportunities regardless of age; for example our apprenticeship programme is not age limited and there have been instances where older people have joined as apprentices. The council's established flexible working options provide opportunities for people to create work life balance as parents, grandparents, adult carers or to pursue other interests outside work. For those considering retirement the local government pension scheme's flexible retirement option has proved to be a popular step for people to taper into retirement whilst allowing the council to retain valuable skills and experience.

### **Community impact statement**

37. As at the 2011 census there were an estimated 22,300 households aged 65 or older living in Southwark. By becoming a World Health Organisation accredited age-friendly borough the Council, including through its influence over partners, is aiming to meet core standards across a range of eight key areas in the WHO checklist. These will have benefits for older people, but in many areas, such as housing, transport and outdoor spaces and buildings, will also provide wider benefits to the community as a whole.
38. Through supporting residents to exercise positive choices in order to age well, this will help to improve the health and wellbeing of the borough's residents across all of the borough's communities as they age.
39. The proposals set out in the details of the community conversation include accessing as wide a range of Southwark residents as possible. They include targeting faith and black and minority ethnic groups. They also include methods for engaging with residents who do not attend the council's usual engagement forums such as community councils.
40. While the main focus of the engagement is on those aged over 40 as stakeholders have told the council that planning for old age becomes more meaningful at this point, it is still our intention to give all ages the opportunity to take part.

### **Resource implications**

41. The costs of conducting the community conversation will be contained within existing budgets.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Legal Services**

42. The Director of Legal Services (acting through the employment section) notes the content of the report.
43. The report seeks cabinet approval to a proposed borough wide engagement



exercise on making Southwark an age-friendly borough and approval of a letter of application in May 2015 to join the World Health Organisation's network of age-friendly cities. This is a decision that can be made by the cabinet in accordance with part 3B (7 & 19) of our constitution:

(7) To promote human rights, equality of opportunity and the interests and particular needs of all those who experience discrimination or disadvantage by virtue of their race, gender, disability, sexuality or age;

(19) To have responsibility for all equalities and diversity matters concerning both employment policy and practices and service delivery and the active promotion of the council's equalities policies.

44. The relevant legislation is the Equality Act 2010. Section 149 of the Equality Act 2010 introduced a single public sector equality duty (the PSED General Duty). It requires the council to have due regard in its decision making processes to the need to:
- a. Eliminate discrimination, harassment, victimization or other prohibited conduct;
  - b. Advance of equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
  - c. Foster good relations between those who share a relevant characteristic and those that do not share it.
45. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also applies to marriage and civil partnership, but only in relation to (a) above.
46. The council's "Approach to Equality", which was agreed by cabinet in December 2011, outlines the council's legal duties under the PSED General Duty as well as its obligations under the Human Rights Act 1998. It also sets out the council's commitment to embedding equality and human rights within the day to day responsibilities of all members, officers and contractors, as a part of day to day business. The proposed engagement exercise and membership of the World Health Organisation's network of age friendly cities would be consistent with the Approach to Equality. The report sets out in the section "Benefits of Southwark becoming an age-friendly borough" (paragraphs 11-16) and in the "Community Impact Statement" (paragraphs 37-40) how becoming an age friendly borough assists in meeting the PSED General Duty.
47. As noted in paragraph 5 of the report a commitment to becoming an age friendly borough was included in the new Council Plan and, as noted in paragraph 28, the proposed engagement exercise was included in the indicative delivery plan both agreed by cabinet in July 2014.
48. The proposed engagement exercise (borough consultation and engagement programme) is summarised in paragraphs 17 to 22 of the report and its form is set out in Appendix 1.
49. Cabinet should note that the proposed application to join the WHO network, which is in Appendix 2, is not dependent on the proposed engagement exercise.

50. There is no explicit legal requirement under the PSED General Duty to engage with people but it does require public authorities to have an adequate evidence base for decision making. For analysis to be vigorous it follows there must be meaningful consultation and engagement with interested parties. The council's Approach to Equality also commits the council to engaging with the community through a wide range of channels; including with those that have an interest in key issues around equality and actively look for feedback on proposals where appropriate. The proposed engagement exercise which is set out in Appendix 1 to the report, is consistent with this.
51. The aim of becoming an age-friendly borough is consistent with the general duties of the local authorities under the Care Act 2014 which are:
- To promote an individual's wellbeing
  - Preventing need for care and support
  - Promote the integration of care and support with health services
  - Promoting information and advice relating to care and support
  - Promoting diversity and quality in provision of services
  - Co-operating generally with other partners in the exercise of their functions.
52. The proposal to become an age-friendly borough is also consistent with the functions of the Health and Wellbeing Board, in that it is required to encourage integrated working between those delivering health and social care services.

#### **Strategic Director of Finance and Corporate Services (FC14/049)**

53. The Strategic Director of Finance and Corporate Services notes the recommendations to hold a borough wide community conversation and to join the World Health Organisation's network; the financial implications arising from these recommendations can be contained within existing budgets. Any financial implications arising from future proposals for becoming a "age friendly borough" will be incorporated into the Council's budget setting and decision making processes as these arise.

#### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
None		

#### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Engagement Plan
Appendix 2	Application letter to join the World Health Organisation age-friendly city network

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Dora Dixon-Fyle	
<b>Lead Officer</b>	Graeme Gordon, Director of Corporate Strategy	
<b>Report Author</b>	Claire Linnane, Housing Strategy & Partnerships Manager	
<b>Version</b>	Final	
<b>Dated</b>	5 March 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	6 March 2015	

# Age-friendly Borough consultation and engagement programme

March 2015

[www.southwark.gov.uk](http://www.southwark.gov.uk)

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## 1.0 Introduction

- 1.1 At the Council Assembly meeting on 22 January 2014 the Consortium of Older Peoples' Services in Southwark (COPSINS) presented a deputation to the committee which asked the council to commit to becoming an age-friendly borough and to develop a strategy to make this a reality.
- 1.2 On 2 July 2014 Cabinet agreed its new fairer future promises, of which Promise 10 was an 'Age Friendly Borough', stating "We want you to get the best out of Southwark whatever your age so we will become an age friendly borough, including the delivery of an ethical care charter and an older people's centre of excellence".
- 1.3 As part of its commitment to becoming an age-friendly borough, on 18 November 2014 Cabinet agreed to become a dementia-friendly borough, to join the newly established Southwark Dementia Action Alliance, and to sign the National Dementia Declaration.
- 1.4 The WHO defines an age friendly community as one where "policies, services and structures related to the physical and social environment are designed to support and enable older people to 'age actively', that is, to live in security, enjoy good health, and continue to participate fully in society'.
- 1.5 The WHO has produced a checklist of essential features of age-friendly cities to assist cities in becoming more age-friendly. It consists of eight themes as follows:
  - Outdoor spaces and buildings
  - Transport
  - Housing
  - Social participation
  - Respect and social inclusion
  - Civic participation and employment
  - Communication and information
  - Community and health services.
- 1.6 It is proposed that Southwark applies to join the WHO global network of age-friendly cities. To become accredited as an age friendly city Southwark will need to demonstrate that it will:
  - Establish mechanisms for involving older people throughout the age-friendly cities and communities cycle
  - Develop a baseline assessment of age-friendliness of the city
- 1.7 These tasks will facilitate Southwark in developing a 3-year action plan and identifying indicators to monitor progress against the action plan.
- 1.8 To produce the outcomes above Southwark will launch a community conversation. It will be focused not only on understanding people's experiences of the borough in relation to the eight themes and understanding what the gaps are that the action plan should address, but support the development of relationships with the people we talk to so we are able to develop mechanisms that will deliver continuous involvement by older people in the age friendly and communities cycle.

- 1.9 To ensure that the conversation is framed in a way that will enable us to develop an action plan that will be SMART we will kick start the work with a co design workshop with key partners and academics in the field. This is intended to be held at the end of March 2015.
- 1.10 The tools Southwark uses to engage people in this conversation will reflect the need to build on-going relationships, capacity and confidence. The processes used will be focused on engagement and participation as much as asking people what they think. The plan aims to deliver both breadth and depth of engagement with this issue. The plan aims to encourage a range of organisations and bodies to take responsibility for the delivery of the action plan as well as identify how individuals can play a more active role in shaping their own way of “ageing well”.
- 1.11 Some engaged older residents will also be invited to the workshop to ensure that older residents are involved from the inception of the project. These residents will be identified by our voluntary sector partners.
- 1.12 The support of the community and voluntary sector will be critical to successful delivery of this plan. An additional outcome should be the strengthening of the older person’s networks and forums.

## 2.0 The Aims and Objectives of Community Engagement

- 2.1 In 2012 Southwark adopted a consultation framework that promised all our consultation would be:
- Universal
  - Impartial
  - Comprehensive
  - Timely
  - Cost effective
- 2.3 Below we have indicated how this might be delivered, although the detail of the what and how will be defined during the co-design workshop:

<b>Table 1</b>	<b>Consultation about Age friendly Borough</b>
<b>1. Universal</b>	<p>All stakeholders should have the opportunity to participate in the process and to have their views taken into account.</p> <p>The stakeholders are:</p> <ul style="list-style-type: none"> <li>• All residents in Southwark</li> <li>• In particular those residents who are over 40 and beginning to think about ageing and how they might age well.</li> <li>• People who are working with older residents and providing support to older people, including health, council and voluntary sector providers and community groups such as Tenants and Residents’ Associations (TRAs), faith groups, BME groups</li> <li>• Carers of older people</li> <li>• Business in Southwark</li> <li>• Arts and Leisure organisations</li> <li>• Police</li> <li>• Transport for London</li> </ul>

	<ul style="list-style-type: none"> <li>• GPs and CCG</li> <li>• Networks bringing services for older residents together such as COPSINS, Southwark's Dementia Action Alliance, Older People's Partnership Board</li> </ul> <p>The conversation will provide people with the platform to express their views and how they would like to continue to be involved in this conversation.</p>
<b>2. Impartial</b>	<p>WHO has established its criteria for an age friendly city and developed a comprehensive set of themes that have an impact on enabling older people to age well, lead full and active lives, and combat social and physical isolation; ensuring that older people have equal access and are fully included.</p> <p>This provides a useful framework for the conversations and developing our understanding of how we both meet and don't meet people's aspirations for an age friendly borough, resident priorities and developing the action plan to tackle the issues that emerge.</p> <p>As indicated above one of the goals of this conversation is to develop a core group of older residents who want to work with us to develop the action plan, monitor progress of the plan and support engagement on the emerging priorities with others living in ,working in and visiting Southwark.</p> <p>One of the issues we wish to explore is how can we frame our conversation as a means to encourage behaviour change in adults that means they are better prepared for their ageing and how they can put in place measures that will support ageing well, beyond pension planning.</p>
<b>3. Comprehensive</b>	<p>The plan should include a range of tools to ensure that the conversation delivers sufficient breadth of engagement to ensure that we achieve a comprehensive understanding of people's experiences to shape the action plan and depth to deliver a group of residents we are able to continue to work with throughout the cycle and beyond.</p>
<b>4. Timely</b>	<p>The conversation will build on our existing strategic and policy framework already adopted such as the Council Plan 2014-18, new Housing Strategy, the evolving New Southwark Plan, 11,000 homes consultation work and the dementia-friendly Borough.</p> <p>The consultation will take place over six months with the ground work laid during April and launched in May, and the first stage ending in September. This will enable sufficient time to both find out what people think and develop the relationships to move on to the next stages of the cycle.</p>
<b>5. Cost effective</b>	<p>The consultation will use web based tools to deliver universal consultation in the most cost effective way. This will target the over 40s cohort, recognising that many of our older residents are digitally excluded. Our new young person's tools will invite the thoughts of under 25s and we will work with the intergenerational network to begin conversations with a younger audience and understand some of the barriers to their thinking about this issue.</p>



	<p>We will recruit age-friendly champions to engage residents, and a peer to peer approach to fostering discussions.</p> <p>We will seek the support of VCS to facilitate workshops and opportunities to meet with older residents and their carers. We will use existing sessions and activity as we recognise that the VCS do not have the resources to deliver additional work.</p> <p>We will use existing networks and events to meet with a wide audience and older people with a range of needs, living in a variety of settings and different communities of interest.</p>
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### 3.0 Engagement Principles

3.1 The consultation process will follow the Code of Practice on Consultation issued by the Department for Business Innovation and Skills. The BIS guidance outlines its consultation principles:

3.2 **Criterion 1: When to consult**

**Formal consultation should take place at a stage when there is scope to influence the policy outcome.**

The conversations will inform the action plan and priorities.

3.3 **Criterion 2: Duration of consultation exercises (BIS recommends 12 weeks)**

The initial conversation will take place over an extended period as the work will also aim to develop a group of residents we are able to work with long term to deliver an age friendly borough.

3.4 **Criterion 3: Clarity of scope and impact**

**Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected benefit and costs of the proposals.**

The conversation activity will be largely based on workshop and focus group approaches which will ensure that participants are able to develop a clear understanding of the process and the impact of their engagement.

3.5 **Criterion 4: Accessibility of consultation exercises**

**Consultation exercises should be designed to be accessible to, and clearly targeted at those people the exercise is intended to reach.**

This consultation will be web based, face to face and peer to peer, and delivered in partnership with the VCS organisations to ensure that there is reach of our target audience.

3.6 **Criterion 5: The burden of consultation**

**Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.**

Many of the conversations will take place at venues and events that our target audience are already attending, which will ensure that they are both effective and do not over burden the audience.

3.7 **Criterion 6: Responsiveness of consultation exercises**  
**Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.**

The findings from the engagement programme will be reported to Cabinet in the autumn. A report will be published.

#### 4.0 Consultation Methodology

##### Who we will consult

- 4.1 All residents living in the Borough will have an opportunity to contribute to the conversation about becoming an age friendly Borough. However the focus of this consultation will be those residents who are over 40, carers, service providers for this age group and community organisations that offer support to and involve older residents.
- 4.2 **Tenants and Residents:** We will target sheltered housing residents in both council and registered provider accommodation and identify older council residents through our Area Housing Forums and Tenants and Residents Associations.
- 4.3 **Community Councils:** We will promote the opportunities to get involved through the community councils and their networks.
- 4.4 **Voluntary Sector Organisations:** We will work with voluntary sector partners to reach their user groups.
- 4.5 **Community Organisations:** We will target our existing networks of older people, faith and BME groups to reach their users and members
- 4.6 **Adult Social Care:** These services deliver activity and events in our day centres and other facilities for older people.
- 4.7 **Businesses in the Borough:** Businesses have a key role to play in delivering an age friendly borough and we should work with established business forums and groups to identify how we can work with the business community.
- 4.8 **Leisure Services:** We should work with public and private sector organisations who deliver leisure activity to understand how they may contribute to creating a more age friendly borough and support older people age well, e.g. parks services, leisure centres, gyms, local theatres and cinemas, libraries

##### Next steps

- 4.9 To kick start the consultation on this issue we are proposing to commission the Centre for Policy on Ageing to deliver a co-design workshop with our key partners, some older residents and national experts that will identify the questions we need to talk to people about so we are able to develop a programme for the conversation. This should ensure that the action plan we develop is able to identify a range of contributors to an age friendly city, including individuals, businesses, the voluntary, police, CCG, private and public sector and networks focused on older peoples services.

The benefits of using this approach are that we will be able to:

- Identify the focus of the consultation work across the themes
- Bring academic insight to the early planning stages of the work.
- Gain buy in for the work we are doing from a range of potential contributors to delivery of age friendly borough
- Ensure that the work we do in the following six months produces mutually agreed outcomes.

4.10 The outcomes we will be exploring in the workshop will be

- What we should be talking to residents about
- How we can use these conversations to gain greater engagement on this issue
- How we can use this conversation as a tool to encourage more people to think about how they can age well
- How we frame the discussion to encourage people who are not older to participate
- How we use the conversation to encourage service providers to address the needs of their older users and customers
- How the engagement process can also be used to strengthen older persons forums and networks in the borough
- How we describe what age friendly will look like so that many people will be able to see the stake they have in this and understand their individual responsibilities in this process.

4.11 Once we have established this we will use a range of tools to deliver the conversations and outreach work these will include:

- Using volunteers for peer to peer discussions
- Collecting diaries/stories of experiences of being an older person
- Web presence
- Printed materials
- Twitter and facebook
- Small group work
- Sheltered Housing Unit event

### **Key messages**

4.12 Throughout the campaign and in our printed and social media pieces the following messages should be promoted and used to explain the consultation.

4.13 Anyone of whatever age can comment on this consultation as we want to talk to everyone. A borough which is age-friendly towards its older people will have benefits for all age groups.

4.14 Being age friendly has the same meaning as defined by the WHO - age friendly is about the needs of older people. The WHO defines an age friendly community as one where “policies, services and structures related to the physical and social environment are designed to support and enable older people to ‘age actively’, that is, to live in security, enjoy good health, and continue to participate fully in society’.

4.15 We have an ageing population but this should not been seen only in terms of the challenges this presents. The discussions should recognise older people for their wealth of experience and knowledge, and their contribution to society, for example, as workers, volunteers and carers.

- 4.16 Our older people should be able to be active and engaged citizens who have plenty of opportunities to have fun, and are enabled to age well.
- 4.17 The council does not have the power over all the areas that can have an impact on an individual's ability to age well, but can use its influence in areas that it does not control.
- 4.18 We need to understand how we can make it easier for our residents to make positive choices that affect their health and well being.
- 4.19 Being age friendly is good for business. Older people have a positive role to play in the workforce. Older people would like to continue to work and this should be supported.

## 5.0 Resources structure

Table 2.

<b>Role</b>	<b>Function</b>
Community Engagement	Developing Consultation plan: delivery of SHU event; drafting materials; participating in some of the engagement activity; arranging activity with its networks.
Communications	Creating consultation webpage and responsible for managing all social media (including Twitter and Facebook accounts). Responsible for maximising participation through a proactive communications campaign and facilitating the mail outs.
Programme manager	Responsible for the development and management of following aspects of the engagement programme: <ul style="list-style-type: none"> <li>• Project plan and co-ordination of engagement activity</li> <li>• Drafting report to Cabinet and other stakeholders</li> </ul>
<b>Project Costs</b>	
Printed materials	TBC

Additional resources will also be provided by Housing Strategy, Adult Social Care, the age friendly stakeholder reference group-COPSINS, Healthwatch & Southwark Pensioners' Group rep.

## APPENDIX 2



Ms. Lisa Warth,  
 Department of Ageing and Life Course,  
 World Health Organization

May 2015

Dear Ms Warth,

We are really excited on behalf of Southwark Council to submit with this letter an application to join the World Health Organization's Global Network of Age-friendly Cities and Communities.

**Our age-friendly activities to date**

In July 2014, Southwark Council made a commitment to become an age-friendly borough as part of our draft Council Plan 2014-18. As part of this commitment the council also implemented a new Southwark ethical care charter for its main home care contracts in August 2014 and through the re-commissioning of all home care services later this year, we will fully deliver the charter by the end of 2015. In November 2014, we also agreed to work towards becoming a dementia friendly borough and became a member of the newly formed Southwark Dementia Action Alliance. In February 2015 Council Assembly endorsed our Council plan and with it our promise to become an age friendly borough.

Some of the services we have in place or are planning for older people include:

- Free "Silver" swim and gym sessions for over 60's from May 2015.
- Working with National Health Service (NHS) partners through both the Better Care Fund and the local Southwark and Lambeth Integrated Care Programme to deliver services that will benefit older people who are physically or mentally frail.
- Maintaining a continued commitment to fund our voluntary sector partners to provide advice, befriending and wellbeing planning for our older residents
- Delivering the Southwark home library service to over 300 residents each month, many of whom are housebound due to old age.

Our key strategies also reflect the importance we place on this guide:

- We agreed our first age-friendly housing strategy in January 2015.
- Through our economic wellbeing strategy we have commissioned targeted employment support to those over 50 who face barriers to the labour market.
- Our health and wellbeing strategy helps people with existing long term health conditions to remain healthier and live longer lives by improving detection and management of health conditions including self-management and support.

### **How we are engaging with older people**

We have a number of mechanisms in place for engaging with our residents, both formally and informally. One of the main forums for engaging with older people and the agencies providing services for older people in Southwark is the Older People's Partnership Board.

We will launch our approach to becoming an age-friendly borough by holding a 'community conversation'. This will involve Southwark's residents talking to us about how we make the borough a place where ageing is positively celebrated and embraced. While we will be talking to all residents, there will be a particular focus on older residents. This will commence this Spring, and older people will be recruited to assist with this process. The responses to the community conversation, together with an assessment of how age-friendly our services are, will help with the development of an action plan for this agenda. We will also identify a group of older residents that we can continue to work with on our action plans on a longer term basis.

### **How we are involving partners**

We understand that the commitment to become an age-friendly and dementia-friendly borough affects not just residents, but also our statutory and non-statutory partners, other service providers, local businesses, voluntary and community sector, faith groups and beyond. The community conversation aims to capture these views. A stakeholder group consisting of the Consortium of Older Peoples' Services in Southwark (COPSINS), Healthwatch, a representative from Southwark Pensioners' Forum and council officers has been meeting to help develop the proposals for the community conversation. We will continue to work with this group, older people and other key partners and stakeholders, including the Centre for Policy on Ageing. We will also continue to work with partners in the NHS and the Clinical Commissioning Group. Older people will of course be crucial partners.

### **How we will contribute to the Global Network**

We are aware that there is currently only one other London borough that has achieved age-friendly city status. We hope that by attaining the status and joining the global network, we will be able to help promote the benefits of age-friendly communities in London. We believe that our work on becoming a dementia friendly borough and the development of our ethical care charter has provided us with a wealth of information that will be of benefit to existing members of the network.

### **Our motivations for becoming a member of the Global Network**

Our review of the benefits of becoming an age-friendly borough provided many motivations for this application.

Our older residents are at the centre of our communities. Some have lived in Southwark since the Second World War. Others moved here from the Caribbean in the 1950's, or came here as refugees from Vietnam in the 1970's. Southwark is home to older people who originated from every continent and culture, as well as those born and bred in the borough.

Our application also acknowledges the contributions that our older citizens make-through caring, volunteering, working, as well as through their knowledge and experience. We also recognise the benefits that these activities bring in improving health and mental wellbeing, which in turn will help to reduce dependency and in the longer-term reduce cost pressures on hard pressed public services.

Finally and most importantly, we also recognise the contribution that older people make to the community through:

- **Employment** (older people remaining/returning to work helps to support the local economy through retaining expertise, and through benefiting from enhanced spending power. Remaining active has positive benefits for individuals' health and wellbeing).
- **Volunteering** (older people giving their time and expertise benefits the voluntary and community sector (VCS) which in turn benefits the borough's residents who receive the services the VCS provides. Remaining active has positive benefits for individuals' health and wellbeing).
- **Caring** (older people caring for sick and disabled relatives reduces the impact on hard-pressed social care and health services).
- **Child care** (older people providing child care for grandchildren etc. enables their parents to return to work, benefiting the local economy).

As a result of the above, the council has committed to becoming an 'age-friendly borough', and we look forward to your support in achieving our ambition.

Yours sincerely,

Councillor Peter John  
Leader of the Council

Councillor Dora Dixon-Fyle  
Cabinet Member for Adult Care, Arts  
and Culture

<b>Item No.</b> 10.	<b>Classification</b> Open	<b>Date:</b> 17 March 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Electoral Review of Southwark	
<b>Ward(s) or groups affected:</b>		All Wards	
<b>Cabinet Member:</b>		Cllr Peter John, Leader of the Council	

## **FOREWORD – COUNCILLOR PETER JOHN, LEADER OF THE COUNCIL**

Local councils uniquely sit at the heart of the communities they serve. Having electoral arrangements that are fair and equitable is at the centre of a healthy, functioning local democracy. It is therefore right that the local electoral arrangements in place, including the number of councillors and wards, deliver electoral equality. It is also right that such arrangements are properly reviewed to retain this equity over time.

The Local Government Boundary Commission has determined that Southwark must undergo such a review. We're being asked how many councillors we think we need to properly represent our communities. To do this in as open, honest and accountable way as possible this report asks that we set up a cross-party panel to make recommendation back to me to inform our final view.

It is for the Commission to ultimately make their own decision on the number of councillors required in Southwark and they'll do this later in the summer, with final recommendations expected to be laid before Parliament in 2016. The Commission will take submissions from any interested party and is committed to hearing all views on their merits. I therefore hope, through the work of the panel, that we can find common ground on this important issue and I look forward to receiving the findings from the panel in May.

## **RECOMMENDATIONS**

### **Recommendations for Cabinet:**

That cabinet:

1. Note that the Local Government Boundary Commission for England will conduct a review of the electoral boundaries and composition of Southwark Council.
2. Establishes an Electoral Review working group with terms of reference as set out in paragraphs 23-28.

### **Recommendations for the Leader of the Council:**

That the leader:

3. Receives a report from the working group by 29 May 2015



4. Considers the report of the working group and makes a recommendation to the Commission on behalf of the council.

#### **BACKGROUND INFORMATION**

5. The Local Government Boundary Commission for England (LGBCE) was established by Parliament under the provisions of the Local Democracy, Economic Development and Construction Act 2009. One objective of the Commission is to provide electoral arrangements for English principal local authorities that are fair and deliver electoral equality for voters. To do this, the Commission conducts electoral reviews. These are reviews of the electoral arrangements of local authorities: the number of councillors, the names, number and boundaries of wards and electoral divisions and the number of councillors to be elected to each.
6. Electoral reviews are initiated primarily to improve electoral equality. This means ensuring, so far as is reasonable, that for any principal council, the ratio of electors to councillors in each electoral ward or division, is the same.
7. When an electoral variance in representation across a local authority becomes notable, an electoral review is required. There are three criteria that trigger this review including where more than 30% of a council's wards have an electoral imbalance of more than 10% from the average ratio for that authority. In Southwark 9 out of 21 wards currently have a population variance of more than 10%. The Commission has therefore determined that Southwark Council is required to undergo a review of ward boundaries which will be implemented for the next full council elections in May 2018.
8. The review is scheduled to begin in August 2015 and be completed in July 2016. Ahead of the formal review, the Commission has invited the council to make a submission about the size of the council. The draft submission is due on 30 June 2015, with a final submission on 21 July 2015. The Commission has indicated it will make a decision about the number of elected members in Southwark by 18 August 2015.
9. The commission will not consider the pattern of wards until a decision is made on the size of the council. Following a decision on size, the Commission will then consider the number of wards, ward boundaries, and number of members in each ward and the names of wards. The Commission have advised that the new wards can be a mix of one, two or three member wards.
10. After consultation on ward patterns, the Commission will publish and consult on draft recommendations. Final recommendations will be laid before Parliament in October 2016.
11. The full timetable of the Commission is set out below:

Draft council size submission	30 June 2015
Final council size submission	21 July 2015
Decision by Commission on number of elected members in Southwark	18 August 2015

Warding patterns consultation	8 September – 16 November 2015
Draft recommendations published	9 February 2016
Draft recommendations consultation	9 February – 4 April 2016
Final recommendations published	19 July 2016
Order laid	October 2016
Implementation at ordinary elections	May 2018

12. The Local Democracy, Economic Development and Construction Act 2009 provide most of the rules which the Commission must follow in conducting a review. The Act requires that the Commission must make recommendations to parliament that have regard to:
- The need to secure equality of representation
  - The need to reflect the identities and interests of local communities; and
  - The need to secure effective and convenient local government.
13. The Act also states that the Commission should take into account any changes in the number and distribution of electors that is likely to take place within the five years following the review. They will therefore consider the council's population forecast.

#### **KEY ISSUES FOR CONSIDERATION**

14. The Commission are clear that local government is as diverse as the communities it serves, providing services, leadership and representation tailored to the characteristics and needs of individual areas. Their aim in an electoral review is to recommend arrangements, including a council size, which is right for the local authority in question.
15. The Commission are unwilling to apply strict mathematical criteria for council size or impose nationally a formula for its calculation. However, this approach means that it is important that they receive well-reasoned proposals which clearly demonstrate the individual characteristics and needs of each local authority area and its communities and how its circumstances relate to the number of councillors elected to the authority.
16. The review is an opportunity for Southwark to consider how many councillors it needs, having regard to the political management arrangements, regulatory and scrutiny functions and the representational role of councillors, both in terms of their ward work and representing the council on external bodies.
17. The Commission will take a view on the right size for Southwark by considering three areas:
- the governance arrangements of the council, how it takes decisions across the broad range of its responsibilities, and whether there are any planned changes to those arrangements;
  - the council's scrutiny functions relating to its own decision making and the council's responsibilities to outside bodies, and whether any changes to

- them are being considered; and
  - the representational role of councillors in the local community and how they engage with people, conduct casework and represent the council on local partner organisations.
18. The Commission want council size proposals that reflect not only the council's current arrangements, but also likely future trends or plans.
  19. The council should also identify whether there are any other local factors which would affect how many members are needed in the council.
  20. The Commission will take submissions from different groups, but have advised that they particularly welcome the council's view on the optimal number of members. The Commission will be interested in the justification that the council offers for any recommendation that we make.
  21. The Commission will take submissions from any interested party and look at submissions on their merits. Different political groups and others may have different views on how the council should be made up. They can all therefore submit independently to the Commission. However, where there is consensus, there is an opportunity to present a single view to the Commission as the agreed position of all parties represented on Southwark Council.
  22. A cross party group could enable members of the three parties currently represented on the council to try and establish a shared view on what the optimum number of councillors is for Southwark. The group, supported by officers, should report their findings to inform the leader when making the council's recommendation to the Commission.

### **Working Group Terms of Reference**

23. The working group will be made up of three Labour members, two Liberal Democrat members and one Conservative member. Group whips will nominate members to the working group, with the cabinet agreeing the chair of the group. The chair will have a casting vote. With a small working group of six members, it is not possible to achieve proportionality; however, this split ensures that all parties are represented comparative to their size on the council.
24. The working group will make a recommendation as to the optimum number of councillors for Southwark Council. They should use the guidance of the Commission which sets out the factors they will consider which include:
  - a. How the size of Southwark compares to our 15 nearest neighbours;
  - b. Governance arrangements and how the council takes decisions across the broad range of our responsibilities;
  - c. The council's scrutiny functions relating to our own decision making and our responsibilities to outside bodies;
  - d. The representational role of councillors in the local community and how they engage with people, conduct casework and represent the council on local partner organisations.
25. The working group will report on the number of councillors, and will also set out the justification for that number. They will consider and explain which other options were considered and why they were discounted.
26. The working group will seek to find unanimous agreement, but where this is not

possible will make recommendations on majority vote, with the chair having a casting vote.

27. The Commission has provided guidance to councils on how to make a submission to them on council size and areas that the council should consider when making that recommendation. The guidance is set out in background papers. The working group will consider this guidance to form their recommendation.
28. The working group will report back to the leader of the council by 29 May 2015.

### **Policy implications**

29. A working group will need to consider the existing constitution, and details within it about committee size and makeup. If the council is to change the number of councillors, how the council forms committees, cabinet and other panels and bodies may need to change. The working group will need to consider the legal requirements on the council in terms of functions it has to perform, but need not be constrained by the existing makeup of committees or executive function.
30. The working group will report back to the leader of the council. Upon receipt of the findings of the working group, due consideration will be given as to whether these recommendations should be reported through Council Assembly.
31. The Council Plan sets out the council's values and priorities. The council is committed to being open, honest and accountable and also to promote value for money. Any recommendation to the Commission will need to demonstrate that it provides value for money whilst also ensuring that the council can continue to be open, honest and accountable.

### **Community impact statement**

32. Changing the number of councillors in Southwark and the make up of wards could have an impact on the representation of people in the borough. However, as set out in paragraph 14, the working group is tasked with exploring the impact of any changes and determining what is the best outcome for the community as a whole.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

33. The report notes that the Local Government Boundary Commission for England will conduct a review of the electoral boundaries and composition of the council. The report seeks to establish a cross party working group of members to make recommendations to the commission on behalf of the council.
34. Paragraph 8 of the report notes, the commission has invited the council to make submissions about the size of the council. The final submission is due on 21 July 2015. Paragraph 15 details a full timetable for the implementation of any changes.
35. Part 3B paragraph 10 of the constitution provides that cabinet set the strategic direction for the council's democratic renewal initiatives. Part 3D provides that responses to consultation documents from government and other bodies relating to significant changes affecting the portfolio area which do not require changes to the

budget and policy framework are delegated to the Individual Member for decision. The leader therefore has the authority to agree the recommendation as there are no budgetary or policy framework implications at this stage.

### Strategic Director of Finance and Corporate Services

36. There are no direct financial implications arising from this report.

### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The Local Government Boundary Commission for England – Electoral Reviews Technical Guidance	Southwark Council 160 Tooley Street London SE1 2QH	Chris Page 0207 525 7259
<b>Link:</b> <a href="https://www.lgbce.org.uk/data/assets/pdf_file/0006/10410/technical-guidance-2014.pdf">https://www.lgbce.org.uk/data/assets/pdf_file/0006/10410/technical-guidance-2014.pdf</a>		

### AUDIT TRAIL

<b>Cabinet Member</b>	Cllr Peter John, Leader of the Council	
<b>Lead Officer</b>	Graeme Gordon, Director of Corporate Strategy	
<b>Report Author</b>	Chris Page, Head of Cabinet Office	
<b>Version</b>	Final	
<b>Dated</b>	5 March 2015	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Strategic Director of Environment and Leisure	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	5 March 2015	

<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 17 March 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Domestic Abuse Strategy	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Michael Situ, Environment, Recycling, Community Safety and Volunteering	

**FOREWORD – COUNCILLOR MICHAEL SITU, CABINET MEMBER FOR ENVIRONMENT, RECYLING, COMMUNITY SAFETY AND VOLUNTEERING**

I am delighted to present to the cabinet the approval of the domestic abuse strategy which is one of our Fairer Future Promises. This strategy represents a bold and holistic new approach to tackling domestic abuse which has had a devastating effect on victims, their families and our wider community. It also reflects the input of our key partners the Safer Southwark Partnership, Southwark Health and Well Being Board, Southwark Safeguarding Adults Board and Southwark Safeguarding Children’s Board who have made it a shared priority. Working in a multi-agency partnership remains the most effective way to reduce Abuse at both an operational and strategic level and this is a theme that runs through this strategy.

More significantly however, this strategy reflects the views of local communities in the borough: survivors; support workers and voluntary and community groups’ representatives, as well as youth organisations. For at its core, the strategy builds communities’ capacity for early prevention by working closer with community leaders, advances greater intervention by health care practitioners, and challenges relevant agencies to take a sterner approach to enforcement. Above all, this strategy leaves it in no doubt that this council and its partners will not tolerate any form of domestic abuse.

**RECOMMENDATIONS**

1. That the cabinet approve the Domestic Abuse Strategy (DAS) set out in Appendix 1 and the Strategy Delivery Plan as set out in Appendix 2.

**BACKGROUND INFORMATION**

2. The Home Office defines domestic abuse as any incident or pattern of incidents of controlling, coercive, threatening behaviour, violence or abuse between those aged 16 or over who are, or have been, intimate partners or family members regardless of gender or sexuality. The abuse can encompass, but is not limited to psychological, physical, sexual, financial and emotional.
3. Controlling behaviour is a range of acts designed to make a person subordinate and/or dependent by isolating them from sources of support, exploiting their resources and capacities for personal gain, depriving them of the means needed for independence, resistance and escape and regulating their everyday behaviour.
4. Coercive behaviour is an act or a pattern of acts of assault, threats, humiliation and

intimidation or other abuse that is used to harm, punish, or frighten their victim.

5. Domestic abuse is recognised as a global challenge which persists in many countries around world. As highlighted by the World Health Organisation, domestic abuse: "...has devastating consequences for those... who experience it and a traumatic effect on those who witness it, particularly children" (WHO, 2005).
6. Addressing domestic abuse and its long term effects is a shared priority for the Safer Southwark Partnership (SSP) the Health and Well Being Board, the Southwark Safeguarding Adults Board and the Southwark Safeguarding Children's Board. This is joint strategy that has been developed in collaboration with board members and the agencies they represent.
7. In 2010 the council adopted the Southwark Violent Crime Strategy (SVCS) 2010-15, which included violence against women and girls as a specific priority. The key recommendation was that the provision for domestic abuse and sexual offences to be reconfigured to make it easier for victims to access the most appropriate level of support through one point of contact. As a result, in 2012, the council commissioned Southwark Advocacy and Support Service (SASS), a specialist domestic violence support service for the borough.
8. The service was further shaped and developed following the recommendations found in the September 2012 Report of the Housing, Environment, Transport & Community Safety Scrutiny Sub-committee into services relating to domestic violence and abuse in Southwark.

#### **National context**

9. In March 2011 the Home Office published an action plan committing government to a wide range of actions to end violence against women and girls. This was followed by a number of progress reviews and update action plans in March 2012, 2013 and 2014. The action plan contains actions across areas like prevention, provision of services, partnership working, justice outcomes and reducing risk to victims. The most recent update has seen the roll out of programmes such as Clare's Law and domestic violence protection orders.
10. Domestic abuse and violence is not a criminal offence in itself. It is an aggravating factor for other types of crime. On the 18 December 2014, following consultation the Home Secretary announced plans to create a new domestic abuse offence of coercive and controlling behaviour. The maximum penalty for the new offence will be five years imprisonment and a fine.
11. Nationally each year, on average 1.2 million women suffer domestic abuse, around 330,000 women are sexually assaulted and there are around 700,000 male victims of domestic abuse.

#### **Regional context**

12. London's Mayor launched a revised pan-London Strategy on Violence against Women and Girls (VAWG) in November 2013 to build upon the previous strategy "The Way Forward". The strategy outlines priorities around prevention, by working with young people and in schools, ensuring women and girls have access to protection, justice and support to rebuild their lives and hold perpetrators to account.

## Southwark context

13. In Southwark, domestic abuse has a significant impact upon our communities:
- There are on average 2,200 – 2,400 recorded domestic abuse incidents a year.
  - 1,400 cases are referred to Southwark specialist advocacy service.
  - Over three quarters of victims are women over the age of 16 and four out of five of the perpetrators are male.
  - Two out of three victims of domestic abuse had children living with them.
  - 50 per cent of the abuse experienced is psychological abuse or controlling behaviour.
  - The number of victims who are 71 or older and report domestic abuse has trebled (7 to 20) between 2012/13 – 2013/14.
  - The number of victims aged 16-18 increased from 26 to 69 between 2012/13 – 2013/14.
  - 66 per cent victims of domestic abuse had children who regularly witnessed the abuse.
  - Respondents through our consultation on domestic abuse highlighted that the most common type of abuse experienced was verbal bullying leading to lack of self confidence.
  - 71 per cent of respondents of those who had experienced domestic abuse had told someone about it (a friend family member or GP).
  - During 2013/14 domestic abuse in same sex relationships accounted for around 2.5 per cent of SASS cases (Southwark data analysis 2014).
14. The council and its partners have recognised domestic abuse as a priority for over the last ten years, this culminated in a new reconfigured domestic abuse service being commissioned in April 2012.
15. In addition, the council funds a number of other services related to domestic abuse and violence against women and girls. These currently include:
- A women's safety smart phone application.
  - A specialist sexual violence advocacy service.
  - A programme for adolescent perpetrators of abuse.
  - A service for young women associated with gangs.
  - A safe and healthy relationships school programme.
  - Refuge provision for victims fleeing domestic abuse.
16. The SSP operates a Multi Agency Risk Assessment Conference (MARAC) on a monthly basis. Officers from key agencies meet to coordinate a multiagency response discuss high risk cases. In 2013/14 there were 276 referrals to MARAC, 115 more cases than in 2012/13.

## KEY ISSUES FOR CONSIDERATION

17. Based on the evidence gathered through our consultation and research, the DAS sets out some key principles which will help to further develop the council's approach to address domestic abuse over the next five years. These are :
- A clear statement of intent that abuse is not acceptable.
  - Challenging the normalisation of domestic abuse.



- Supporting those who need it, in the settings where they feel most comfortable seeking it and for survivors to thrive.
  - Taking tough action on those who perpetrate abuse.
  - Ensure agencies work together to get it right first time.
18. Domestic abuse is not just an issue that impacts those directly involved. The controlling, coercive and physical abuse can also affect family members, friends and local community into future generations and future relationships. The strategy recognises the importance of developing and adopting an intervention model that creates a multi agency approach, drawing on the good practice that already exists in each of priority areas such as Troubled Families, Substance Misuse, Mental Health or Child Sexual exploitation to name a few.
19. The strategy acknowledges that there has been considerable progress made in Southwark to support those who are affected by domestic abuse and take action against perpetrators. However, as the research and consultation findings have highlighted, there are further opportunities to provide a fully effective domestic abuse intervention programme focusing on:-
- prevention and awareness,
  - early identification and support and
  - enforcement
20. In light of these findings, the strategy recommendations are as follows:

#### **Prevention and awareness**

1. Aim to “Get it right first time” by providing support and clear referral pathways for friends and families including the expansion of existing Domestic Abuse Champions in community, faith and work based settings.
2. Establish a multi faceted education and support programme for young people.
3. Greater support for LGBT, people with disabilities and those from the diverse range of communities, who suffer abuse through establishing a multi faceted awareness raising programme.

#### **Early identification and support**

4. Achieve a greater balance between criminal justice, health and community support for those affected by domestic abuse.
5. Establish an integrated support service for complex cases of domestic abuse, as part of our approach to commissioned services.
6. Work with the Mayors Office for Policing and Crime to establish a consistent pan London approach to addressing domestic abuse.

#### **Enforcement**

7. Take action against persistent perpetrators by establishing a multi agency enforcement approach.
8. Improving the criminal justice process including lobbying for domestic abuse specialist court in Southwark.
9. Carry out an annual needs assessment review of domestic abuse.

### **Implementation**

21. Actions arising from the recommendations and set out in the Delivery Plan (Appendix 2) will be shared across the key agencies and monitored on a quarterly basis through the VAWG delivery group and annually through the SSP Executive Board.

### **Policy implications**

22. The Domestic Abuse Strategy will contribute to delivering the council's fairer future promises, as set out in the 2 July 2014 Cabinet report- Delivering a Fairer Future for all in Southwark. More specifically they will help to support fairer future promise 7- Safer Communities. It will also contribute to the fair future promise of making the borough a place to be proud of.
23. This strategy is also in line with the Safer Southwark Partnership's rolling action and commissioning plan, the council's Violent Crime Strategy 2010 –15 and the Children and Young People's Plan 2013–16, all of which recognise domestic abuse as a priority.

### **Community impact statement**

24. An equalities analysis has been carried out on the proposed DAS. No negative potential impacts have been identified.
25. Due to the nature of the DAS, the extensive consultation and the involvement of partners in this process, the proposals set out in this report are likely to create only positive impacts in relation to protected characteristics.
26. The equality analysis demonstrates that the policy shows no potential for discrimination.

### **Resource implications**

27. The above recommendations will be developed through existing resources and the re-commissioning of current provision.

### **Financial implications**

28. The overall costs of domestic abuse to the council are estimated to be in the region of £20m per annum. These costs arise from homelessness applications, children social care, specialist commissioned services, adult care services, mental health services and domestic homicide reviews.
29. The council currently invests £718,000 in specialist domestic violence and abuse (DVA) support services. The amount includes a grant of £91,000 from the Mayor's Office for Policing and Crime. These specialist services provide advice, support and accommodation to children and adults affected by this problem.
30. There are no additional financial implications introduced by this report. Any costs of implementing the proposed strategy will be contained within existing revenue budgets.

## **Legal implications**

31. Please see concurrent below.

## **Consultation**

32. The development of the strategy has involved extensive consultation through a variety of methods such as questionnaires, meetings and focus groups with representatives of various partnership boards, service providers and service user.
33. Domestic abuse is not an easy subject to talk about particularly for those who have experienced it first hand. The questionnaires were used as a helpful supplement to the on-going work officers have been doing on this subject. The questionnaire was promoted through the council's website and social media as well as the council's quarterly printed publication and council public meetings such as community councils. 45 questionnaires were received.
34. Recognising that domestic abuse is a complex issue the consultation programme also involved focus groups for both service providers and users along with consultation in a range of community settings where those supporting victims could engage in the process. This enabled officers to listen to and capture experiences and opinions first hand from a range of affected parties. To this end officers spoke to over 152 people including survivors, support workers key officers and elected members within the partnership.
35. The development of the strategy has been a collaborative process which has also involved extensive consultation with representatives of the Health and Well Being Board, the Southwark Safeguarding Adults Board and the Southwark Safeguarding Children's Board.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

36. This report seeks approval of the Domestic Abuse Strategy for 2015-2020 and the associated Strategy Delivery Plan. The legislative landscape for tackling domestic is set out under paragraph 11 of the Strategy document.
37. The Crime and Disorder Act 1998 (as amended) established Crime and Disorder Reduction Partnerships, now known as Community Safety Partnerships ("CSPs") in order to facilitate a multi-agency approach to the reduction of crime, substance abuse, anti-social behaviour, domestic abuse and re-offending.
38. The 1998 Act imposes statutory duties on those agencies (including local, police and fire and rescue authorities and the Probation Service) to form CSPs and work together to implement a strategy to tackle priority problems. In Southwark the CSP is called the Safer Southwark Partnership ("SSP").
39. The Police and Justice Act 2006 amended the partnership provisions of the 1998 Act to make CSPs a more effective resource, and imposed obligations on them to implement strategies to tackle, amongst other things, domestic abuse. The Crime and Disorder (Formulation and Implementation of Strategy) Regulations 2007 make provision as to the formulation and implementation of such strategies
40. Under the requirements of the 1998 Act and 2007 Regulations the SSP has

prepared a strategy to address domestic abuse in Southwark. In accordance with the co-operative duties of the 1998 Act the council must approve and implement strategies prepared by the SSP and must work with other responsible authorities to achieve implementation.

41. Under Part 3 of the council Constitution the approval of the new strategy is the responsibility of the Cabinet as the strategy may impact on a number of portfolios.
42. Paragraph 24 advises that an equality analysis has been carried out in order to inform the proposed strategy. This is an essential tool to assist local authorities to comply with their equalities duties and to make decisions fairly. In carrying out the analysis officers must have been mindful of the Public Sector Equality Duty prescribed by the Equality Act 2010 which requires proper consideration of the likely effect and impact of the decision on individuals and groups having a protected characteristic.
43. Some of the actions proposed as part of the strategy are specifically targeted at women and girls. This is reflective of the evidence available to the council that a significant proportion of victims are female. Section 158 of the Equality Act 2010 permits a limited range of positive action in cases where, amongst other things persons who share a protected characteristic (such as gender) suffer a disadvantage connected to that characteristic. In those circumstances action may be permitted which is a proportionate means of meeting their needs or enabling or encouraging them to overcome or minimise that disadvantage.
44. The new strategy should be reviewed as necessary in order to take into account the requirements of forthcoming legislation, notably the Children and Families Act 2014 and the Care Act 2014.

#### **Strategic Director of Finance and Corporate Services (FC14/054)**

45. The strategic director of finance and corporate services notes the strategy set out in this report and confirms that there are no direct additional financial implications arising. Officer time to implement this decision can be contained within existing resources.

#### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
None		

#### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Domestic Abuse Strategy (circulated separately)
Appendix 2	Domestic Abuse Strategy Delivery Plan (circulated separately)
Appendix 3	Domestic Abuse Services in Southwark (circulated separately)

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Michael Situ, Environment, Recycling, Community Safety and Volunteering	
<b>Lead Officer</b>	Deborah Collins, Strategic Director of Environment and Leisure	
<b>Report Author</b>	Eva Gomez, Safer Communities Team Manager	
<b>Version</b>	Final	
<b>Dated</b>	4 March 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Strategic Director Children and Adults' Services	Yes	No
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	4 March 2015	

<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 17 March 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Aylesbury Regeneration Programme Update	
<b>Ward(s) or groups affected:</b>		Faraday Ward	
<b>Cabinet Member:</b>		Councillor Mark Williams, Regeneration, Planning and Transport	

**FOREWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT**

This report represents an important milestone in building a better future for the residents of the Aylesbury Estate. We are making great progress with the regeneration of the estate, this project will create new high quality affordable homes, new open space, much improved conditions for cyclists and pedestrians and better community facilities. Our development partner, Notting Hill Housing Trust, have submitted an outline planning application for the entire estate and a detailed application for the first development phase (Bradenham, Arklow, Chartridge and Chiltern Houses), this is expected to be considered by planning committee in April.

We are working with the remaining residents in the first phase and those in the second phase (Wendover, Winslow, Padbury, Foxcote and Ravenstone) to find them new homes as the project moves forward. We continue to work with the Creation Trust in providing additional assistance to more vulnerable residents to make sure they receive the support they need. We will continue to offer leaseholders shared equity homes so that those on low and fixed incomes can stay in the area.

This report sets out our plans to have a one year programme to buy-back leasehold properties in the third and fourth development phases, this will help those leaseholders in these later phases to better plan their futures. Despite our advanced plans for the redevelopment of the Aylesbury Estate some tenants are still able to exercise their right to buy, we will therefore move to place a demolition notice on all blocks in the later phases as soon as they fall within the prescribed timeframe to exclude them from Right to Buy. We believe this is essential and represents good value for money for the taxpayer, as public subsidy is used to allow tenants to buy their council home, we will then have to buy the same property back and cover all legal fees. In addition many former council properties are rented out privately, many of which are subsidised again through housing benefit.

We will also ensure that local residents on the Aylesbury and across the borough can take advantage of the construction jobs that will be available on this and other sites. We are working to create a Construction Skills Academy which will be located at the Elephant and Castle so that our residents, including those on the Aylesbury, can get the skills they need to take advantage of these opportunities.

## RECOMMENDATIONS

1. That the cabinet notes the update progress report of the work carried out under the Aylesbury Development Partnership Agreement (DPA), entered into in April 2014 by the council and its development partner Notting Hill Housing Trust (NHHT), as set out below:
  - The position of the planning applications submitted by NHHT; these comprise a detailed planning application for the First Development Site and an outline application for the remainder of the estate masterplan (Phases 2, 3 and 4).
  - The progress update on the rehousing of tenants and leaseholders on the First Development Site and on Phase 2.
  - That 57-76 Northchurch has been brought forward into Phase 2 of the regeneration programme, by IDM dated 17 February 2015.
  - The one year programme to purchase non-council owned residential properties in non-active phases as set out in paragraphs 26 – 31 of this report.
  - The update on the design of the key community facilities to be delivered early as part of the council's commitment to supporting the community.
  - The additional funding that has been secured from the Affordable Homes Programme for the regeneration of the Aylesbury by NHHT.
  - The application for funding for the Aylesbury made by NHHT to the Government's Estate Regeneration Programme.
  - That NHHT will now undertake demolition of the existing buildings on the First Development Site, on Plot 18 and in Phase 2, as provision is made for within the DPA.
  - The principle of the Strategic Director of Housing and Community Services serving phased demolition notices on blocks within Phase 4 of the Aylesbury regeneration as the development comes forward and in accordance with the programme agreed through the DPA with NHHT.

## BACKGROUND INFORMATION

2. A Development Partnership Agreement (DPA) between the council and Notting Hill Housing Trust (NHHT) was signed on 28 April 2014. This partnership will see the development of a further 3500 new homes across the Aylesbury development area, along with a number of community facilities, commercial facilities and a range of parks and open spaces and high quality public realm. As part of the agreement Notting Hill Housing Trust are also working with Barratt in relation to the marketing and sales of the private residential units on the footprint of the estate. In addition to the physical regeneration, the partnership provides for a number of social and economic regeneration initiatives for the duration of the anticipated 17 year development period.

3. Alongside the works associated with the DPA, the council continues to work with L&Q on the construction of 147 new homes on the North East corner of the estate (Site 7 as defined in the Aylesbury Area Action Plan). These new homes are in addition to the 261 units already completed on Phase 1a, and are due to be delivered from December 2015 – autumn 2016.
4. In total, the L&Q development sites and the DPA masterplan area will see the delivery of 4000 new homes developed in line with the Aylesbury Area Action plan (AAAP).
5. This report sets out the progress made on the development work carried out to date along with a number of refinements and proposed amendments to the DPA which are presented to cabinet for consideration.

## **KEY ISSUES FOR CONSIDERATION**

### **Planning Applications**

6. In line with the DPA, NHHT has submitted two planning applications, a Detailed planning application for the First Development Site (site 1b/1c in the AAAP) and an Outline planning application, which covers the remaining phases (Phases 2, 3 and 4) of the Aylesbury regeneration. The two applications will be considered together by committee. Subsequent development sites within the Outline application area will be brought forward as Reserved Matters applications.
7. The Detailed planning application for the first development site will see the 566 existing units of social and privately owned housing replaced with a mixed tenure development comprising 830 homes. Of these new homes 257 will be offered at target rents (equivalent to new council lets), 92 will be available as shared ownership or shared equity, 50 will be mixed affordable tenure extra care units and 6 units will be for people with learning disabilities. Finally 424 units will be private (of which 47 will be for open market rent and the remainder for sale).
8. The Outline planning application will see 2,745 new homes provided over Phase 2, 3 and 4; over 50% of which will be affordable, retail provision, new open spaces and a renewed public realm.
9. NHHT conducted extensive informal consultation with residents prior to submission of the applications, alongside pre-application meetings with planning officers. Over 700 people attended various different events arranged by NHHT and over 250 individual comments or feedback forms were received. Residents were broadly positive about the proposals; key issues raised were the affordability of any new housing; the appearance and size of new homes; the rehousing process; and the desire to maintain the people and community that make Aylesbury what it is now.
10. The applications were submitted in October 2014 and verification was completed in December 2014. An extended statutory consultation period was arranged in recognition of the festive period and this ended on 31 January 2015; a second statutory consultation is now underway to reflect amendments made during the application period. It is anticipated that both applications will be submitted to Planning Committee in April 2015.



### **Re-housing and vacant possession on the First Development Site**

11. There are currently two areas of rehousing on the Aylesbury footprint where work to deliver vacant possession is underway. The first of these is in relation to the blocks located on the footprint of the First Development Site: Bradenham, Chiltern, Chartridge and Arklow House. Rehousing of tenants and leaseholders on this site has been ongoing since 2009. Of the original 566 units to date there are 2 secure tenanted properties remaining, alongside 19 leasehold interests. Officers continue to work closely with the remaining tenants and resident leaseholders in order to support their rehousing needs.
12. In order to deliver full vacant possession of the site and allow for demolition and redevelopment, the council has made a Compulsory Purchase Order (CPO) to acquire the remaining properties. A public inquiry is due to take place starting on 28 April 2015. Subject to a successful outcome at public inquiry, an anticipated confirmation date in autumn, is currently anticipated. This in turn suggests achieving vacant possession of the site in January 2016.
13. Learning lessons from the regeneration of the Heygate Estate to safeguard the remaining residents on the First Development Site from potential crime and anti-social behaviour and following the recent occupation of vacant units in Chartridge, the council has erected fencing around the perimeter of the site. There is one main security entrance to the site where existing residents are able to access their properties, and the site will be manned by a twenty-four hour security presence in order to secure the site. The council has written to all residents affected by the implications of this.
14. It is intended that following acquisition of the remaining properties on the First Development Site, demolition of existing buildings and works to enable construction will begin. The council is currently working with NHHT to explore the practicalities of phased demolition of the site, in line with the procurement of a demolition contractor, and once vacant possession on individual blocks within the site has been secured.

#### *370 Albany Road (Ellison House)*

15. The First Development Site includes within it 370 Albany Road, which serves as accommodation for Probation Service clients. The property is held on a long lease under a complex ownership arrangement involving the London Probation Service and the Ministry of Justice. It is Crown property and cannot be subject to a compulsory purchase order. It has therefore been excluded from the CPO for the site. Achieving vacant possession of this building is however essential for the development to progress as planned.
16. Discussions have taken place with the Ministry of Justice (MoJ) and the Probation Service over a number of years and they have indicated a willingness to work with the council to achieve the regeneration aspirations, although they remain keen for the facility to be relocated within the borough. The council has made an offer to buy out the MoJ's interest in the site without re-provision and continues to negotiate from this position.

### **Rehousing of Phase 2**

17. In line with the development programme set out in the DPA, the rehousing of tenants has commenced on Phase 2 in July 2014 (241-471 Wendover, Padbury,

Ravenstone, Foxcote and Winslow); this re-housing will release development plots 4 and 5. The start date was set back 5 months due to changes to the council's Letting Policy but progress has been good and to date 129 residents have moved from these blocks (from a total of 403 properties). On this basis it is anticipated that the re-housing period will track alongside projected timescales set out in the DPA.

18. Alongside the rehousing to release Plots 4 and 5, the council brought forward the re-housing of the remainder of Phase 2; Plots 6 and 7 (1-240 Wendover, Wolverton and Brockley House). This was due to the poor condition of some of the buildings within Phase 2 and the costs that might arise from keeping these buildings in occupation over the period of several years.
19. This meant that rehousing of tenants in Plots 6 and 7 commenced in January 2015, compared to a date envisaged within the Business Plan of February 2016 for Plot 6 and May 2017 for Plot 7. To date 40 residents have moved from these blocks (from a total of 388 properties).
20. The DPA also includes Plot 18 within Phase 2 of the regeneration. Plot 18 has one block that is directly within the boundary of the site, 300-313 Missenden. Within the AAAP this site was included within Phase 1, and so all residents have already been rehoused from this block.
21. Following an IDM signed on 17 February 2015, 57-76 Northchurch is now also included within Phase 2 of the regeneration. The decision to progress with the rehousing of this block was made due to its proximity to the re-aligned boundary of Plot 18 development site. Rehousing of the residents in this block commenced in March 2015.
22. In total Phase 2 now contains 812 dwellings; of these 103 are held by leaseholders. Phase 2 also includes one freehold property - 140 Albany Road.

#### **Acquisition of non-council owned properties across the Aylesbury**

23. There are currently 311 leasehold and freehold properties which the council has to purchase across all phases of the Aylesbury regeneration.
24. Buying these interests and ensuring that resident home owners are able to move to replacement homes is a major challenge to the regeneration programme. Residents include a number of home owners who would like the opportunity to sell their properties back to the council now while they are still in a reasonable position to move either due to their health or financial position.
25. Of the 311 leasehold and freehold properties only 123 of these are currently within an active phase for rehousing. However, since the procurement of NHHT as a development partner the council has fielded a number of enquires from both leaseholders and freeholders in other phases asking if the council will buy their interests now.
26. It is proposed that in order to keep the momentum of the regeneration project and build on the interest generated by NHHT being appointed a development partner for the regeneration of the estate that a one year early acquisition scheme is run during 2015/16, without the offer of rehousing assistance.

27. The budget proposed for this scheme is £3.7m in 2015/16, which is contained within existing resources. This is estimated to cover the purchase of 15 properties out of phase. In the event that there are more applicants than the budget can accommodate, the council will need to agree how these can be prioritised. This budget will be brought forward from budget profiles in future years and will be subject to further reports to cabinet.
28. Officers will closely monitor activity arising from this recommendation to ensure that early repurchase of out of phase units does not result in a shortage of budget allocation for phases or plots approaching the market earlier in the programme. It is anticipated that the availability of additional units provided through early repurchases will assist in progression of vacant possession by increasing stock availability on the estate and also generate temporary accommodation income to the housing programme.
29. Rehousing assistance will not be offered for this proposed scheme as those resources will be focussed on resident leaseholders in active phases of the regeneration in order to deliver vacant possession of these sites.
30. This scheme will run for 12 months from 1 April 2015 and be reviewed before expiry to determine its success and whether further early acquisition schemes would be recommended in future years.
31. The detailed conditions of this scheme are set out in Appendix 1.

#### **Plot 18 – development programme**

32. In 2009 the council committed to delivering new community facilities early on in the regeneration programme and this commitment was reflected in the AAAP and is captured in the DPA. The early delivery of this site will also provide new premises for the existing community facilities located in Taplow (Phase 3), and thereby keep the decant of these facilities in line with the re-housing programme.
33. The site for these facilities (identified as Site 10 in the AAAP/ Plot 18 in the DPA) is situated in the centre of the development area: mid-way along Thurlow Street and a key link between the conservation area to the west and Surrey Square park to the west.
34. The new community facilities on Plot 18 will comprise:
  - 2500m<sup>2</sup> Health Centre to provide new premises for the Aylesbury Medical Centre and the Aylesbury Community Health (both located in Taplow)
  - 500m<sup>2</sup> Early Years facility to provide new premises for the Aylesbury Early Years Centre (also located in Taplow)
  - 750m<sup>2</sup> Community Space
  - 250m<sup>2</sup> of retail space, including a pharmacy to provide new premises for the Medi-pharmacy (currently located in Taplow)
  - Public Open Space
  - Approximately 130 residential units.
35. The prominent location of this site, and the public nature of the functions to be accommodated on it, means that this development has the opportunity to be a catalyst for change in the area. A very high quality of design will be expected for this development to deliver landmark buildings. In view of this, the development partnership, following a detailed interview and selection process, has secured the

appointment of award winning architects Duggan Morris Architects to work in conjunction with HTA architects for this site.

36. To ensure the smooth progress through the tight programme timescales for this development, the project has been carefully structured with full buy-in from all the relevant stakeholders. NHHT will be taking forward the project management of the design and delivery with the council acting as shadow client throughout.
37. At this stage, the specific tenure demand for rehousing has yet to be determined but in line with the DPA at least 50% of the units will be affordable either through target rent or intermediate housing products. However to optimise flexibility, only space standards relating to affordable units (rented and intermediate) shall apply. Any private sales units will be to intermediate space standards; intermediate units may be to rented space standards.
38. All existing Aylesbury tenants in active phases of the estate regeneration will be eligible to apply for units on the development. A mixed community is sought for this development, although due to site constraints, the range of dwelling types will be limited to flats and duplexes; the dwelling sizes will be limited to 1, 2 and 3-bedroom units. It is therefore unlikely that the development will attract larger families.
39. To support the overall rehousing of residents on the Aylesbury and to help supply of temporary accommodation, some Aylesbury residents not in an active phase, may also be eligible to apply for units on the development. One building shall be designated for an Independent living model of accommodation and allocation to dwellings in this building will be structured under a local lettings policy.
40. A local lettings policy will be draft for further consideration, but it will be based around creating a mixed-tenure of people over 55 years in age, whose children are no longer living at home, and who are seeking a housing solution which fosters social relationships, thus improving health and wellbeing and reducing long-term need for external care services. This will be in line with the council's Adult Social Care nominations criteria.

### **Additional funding to the regeneration programme**

#### *Background*

41. The estimated cost of the land assembly, including vacant possession and above ground demolition, for the whole estate is set out in the DPA at approximately £150m spread over 15 years at signature in April 2014. In November 2013 the council had set an initial capital budget of £76.7m for this scheme with the expectation that future land assembly costs covering later phases would be brought back to cabinet for approval.
42. Since the DPA was signed, land assembly costs have increased for both demolition and the acquisition of leasehold properties on the estate. Notwithstanding this, it is still anticipated that land receipts in later years of the programme will generate significant income.
43. The DPA also provides for the developer to share with the council any increase in sales values over an agreed threshold. The anticipated receipts from private sale homes have increased in value since April 2014.

44. In order to support the delivery of the regeneration of the Aylesbury, NHHT have sought various additional funding streams which could reduce the impact on council finances over the life time of this programme.

*Affordable Homes Programme funding*

45. Following selection as development partner, NHHT have been able to secure an allocation of £27,452,000 of (social housing) grant funding from the GLA's 2015-18 Affordable Homes Programme.
46. Further discussions are underway between NHHT and officers around how these funds can best benefit the programme in bringing forward affordable homes on site. The impact on the council's overall capital funding of the Aylesbury regeneration will be noted in a re-profiled capital budget and be subject to further reports to cabinet.

*Estate Regeneration Programme funding*

47. With the council's full support NHHT, have also submitted an application for funding to the Government's Estate Regeneration Programme (ERP) fund, which was established in the Budget 2014. The application was submitted in September 2014, and in the Autumn Statement in December 2014 it was confirmed that the Aylesbury had been shortlisted for an award of loan funding of up to £46.1m.
48. NHHT's ERP funding bid was based on the premise that the loan funding would be utilised for delivery of the following activities:
- Leaseholder acquisitions
  - Demolition (above and below ground) on the First Development Site
  - Utilities diversions on the First Development Site
  - Plot 18 community facilities
  - Highways infrastructure
49. The loan funding is time limited and must be spent within four years with the specific intention of bringing forward early delivery of the regeneration programme.
50. As set out in the cabinet report approving the selection of the preferred development partner dated 28 January 2014, the council has already made provision in its current 5 year housing investment programme of £76.7m (when approved in 2013/14) for the regeneration of the Aylesbury estate. At the time this meant that the council had sufficient funds for site assembly on phase 1 (including the first development site) and phase 2, and included demolition costs for phases 1 and 2 of £9.2m and £13m respectively.
51. It had been anticipated that a considerable amount of these costs would be front loaded to as many of the larger blocks are in the early phases and the council wished to buy-back as many leasehold interests as possible by agreement at an early stage in the regeneration.
52. If satisfactory due-diligence on this funding offer is completed, it would have the effect in the early stages of the project of reducing capital expenditure by the council. This would mean that the council's capital budget for Aylesbury would need to be substantially re-profiled to reflect this funding as a number of costs,

such as the leaseholder acquisitions and demolition, would now be initially paid for by NHHT with the money released from the ERP funding. The council would pay these costs back to NHHT, but this pay back would not start until 2021/22.

53. Another impact of securing ERP funding would be that NHHT's cost of borrowing would be substantially lower through the early phases of the project. This will in turn release additional funding back into the project as provided for under the DPA. Further work is underway to identify the benefit to the programme that this will derive and discussions between the council and NHHT around best use of this funding will continue.
54. Once due-diligence has been completed by the Homes and Communities Agency (HCA) and the final level of funding and interest rate is confirmed, a re-profiled capital budget will be subject to further reports to cabinet. This will also include further assumptions on costs to reflect the rises in costs set out in paragraph 42 of this report and an analysis of the overall benefit to the programme of receiving ERP funding. Any new bids to increase the current allocation of either capital or revenue resources will be submitted to cabinet for approval.
55. It is assumed that a final agreement between NHHT and the HCA will be in place in April 2015.

### **Demolition**

56. Under the terms of the DPA the council is responsible for delivering land assembly, including vacant possession and above ground demolition to top of slab level. There is however an option in the DPA for the council to procure the demolition of the existing buildings through NHHT.
57. Following advice on the VAT implications arising if the council were to undertake demolition on these sites, an option within the DPA has been exercised to procure the above ground demolition for the First Development Site, Plot 18 and Phase 2 through NHHT.
58. This route will also ensure wider programme efficiencies in terms of the redevelopment of these sites with value for money provided through the requirement for the developer to obtain competitive prices from demolition sub-contractors for the works.
59. This route is in turn tied to a reduction in the land payment agreed that corresponds to the cost of the demolition works. Exact costs are currently being assessed, but will be subject to a competitive tender and open book process. This will be subject to further reports to cabinet.

### **Demolition Notices on further phases**

60. The council served initial demolition notices on all properties within Phase 2 and Phase 3 of the regeneration in January 2013, following approval by the Strategic Director of Housing and Community Services in December 2012. Initial Demolition Notices have one statutory purpose, which is to suspend Right to Buy claims, and have a lifespan of seven years.
61. At the time of serving the notices, the council was dealing with the effects of the government's well-publicised 'reinvigoration' of the statutory Right to Buy

scheme. Demolition notices were served in order to address the threat of a sudden increase in Right-to-Buy applications, completions and the knock-on long-term effect this would have on the Aylesbury regeneration scheme.

62. The greatest cost to the council in the Aylesbury regeneration programme is land assembly, of which the greater portion is leaseholder buy-out costs. At this point in time there are a number of Right to Buy applications ongoing for tenants living on the Aylesbury Estate, and with the policy still receiving support from the Government, the council is therefore seeking to minimise the impact that this policy could have on increasing costs to the regeneration programme by reducing the ability of Phase 4 tenants to exercise their Right-to-Buy.
63. In order to be able to serve an initial demolition notice, a local authority landlord must have the intention of demolishing a block or series of blocks within the seven-year timeframe. At the time of serving the demolition notices on Phase 2 and 3 demolition notices could not be served on Phase 4 blocks because at that time the construction timeframe, as set out in the AAAP (2020-2027 but without any details on ordering of sites), for new homes fell outside the 7year period.
64. However the DPA signed in April 2014 includes a detailed programme for demolition and construction, which includes a setting out demolition phasing within Phase 4.
65. As demolition notices are served on individual blocks within the Phase, it is proposed that the council proceeds with serving demolition notices on blocks within Phase 4 when they fall within the seven year demolition period. Under the current programme agreed under the Business Plan that first demolition notice in Phase 4 could be served in April 2016. However with the ERP funding identified in paragraphs 47 – 55 of this report, it is possible that some blocks in Phase 4 may now be demolished earlier. Once a revised programme has been approved through the mechanism set out within the DPA, it is proposed that the Strategic Director of Housing and Community Services, serves demolition notices on blocks within Phase 4 as appropriate.

### **Policy implications**

66. The recommendations set out within this report are intended to ensure the council is able to deliver on its obligations as set out within the DPA with NHHT, dated 28 April 2014.
67. This agreement set out to complete the regeneration of the Aylesbury Estate in line with the principles set out in the Aylesbury Area Action Plan and the council's core strategy. Both the Aylesbury area action plan, approved by council assembly in January 2010, and the core strategy, approved by council assembly in April 2011, set out the council's detailed vision for the future of the Aylesbury and provide the planning policy framework for the area.

### **Community impact statement**

68. An Equalities Impact Assessment was carried out as part of the AAAP. While this did not assess all of the groups with protected characteristics identified under the 2010 Equalities Act, the outcomes of that assessment are still valid and are not altered by the DPA signed in May 2014, or any of the recommendations set out in this report. In addition an updated equalities analysis has been prepared as part of the process of preparing a planning application for the estate.

69. As part of the planning process NHHT have carried out consultation with a wide range of individuals and groups on the Aylesbury which is set out in detail in the Statement of Community Involvement submitted as part of the Outline planning application.
70. The realisation of the regeneration vision for the area will bring quality new affordable homes and an improved environment. However, in order to realise this ambition it will require the existing residents (tenants and leaseholders) of Aylesbury to be re-housed. This is a difficult and often stressful process for residents, many of who have lived on the estate for many years.
71. The Housing department through the Aylesbury area housing office leads on the re-housing of the Aylesbury residents.
72. Tenants are currently re-housed through re-lets of the council's 38,000 properties currently under secure tenancies, in addition to properties at target rent from housing associations. The availability of housing association properties at target rents will diminish in the future due to the introduction of the new affordable rent regime. The impact of this has been modelled and it is anticipated that it will be possible to re-house the majority of tenants living in phase 1 and phase 2 off-site. NHHT Housing will also provide a pre-agreed supply of units over the next 10 years at target rent. Tenants are provided with home loss payments and are given support to move home.
73. The council seeks to negotiate voluntary agreements for lease surrender or repurchase with leaseholders. The council recognises that many of the council leaseholders are not able to easily afford alternative residential accommodation in the local area. To this end, the council offers an enhanced re-housing package for affected homeowners. Subject to certain qualification criteria, they will be offered a suitable alternative property from the council on full or shared ownership terms, or they may be re-housed as a council or a housing association tenant. The council also provides a payment to compensate for disturbance, covers reasonable fees and provides help with moving.
74. The council recognises that even with this enhanced re-housing offer, many leaseholders are still highly reticent about agreeing to voluntary repurchase, to move to a shared-ownership property. To this end, the council has from March 2014 introduced a shared equity product that does not have a rental component and is available for qualifying leaseholders. NHHT is also offering 115 shared equity units from within its own existing stock and in the new Aylesbury units to support the re-housing of Aylesbury leaseholders. The first of these shared equity units are being made available in NHHT's Camberwell Field's development, on Edmund Street, Camberwell; in close proximity to the Aylesbury.
75. To assist leaseholders the council has produced a guide detailing the options that are available to leaseholders in active phases of the regeneration. This is circulated in hard copy to all leaseholders within an active phase and is available on the council's website at:  
[http://www.southwark.gov.uk/downloads/download/1079/aylesbury\\_homeowners\\_rehousing\\_toolkit](http://www.southwark.gov.uk/downloads/download/1079/aylesbury_homeowners_rehousing_toolkit)
76. Overall the development partnership with NHHT is programmed to deliver significant benefits for local residents in terms of community and economic



benefits to the area, this will include a commitment from NHHT to maximising the use of local supply chains and labour, in addition to offering training and employment opportunities (such as apprenticeships).

### **Resource implications**

77. On 19 November 2013, as part of the 2013/14 quarter 2 capital monitoring report, cabinet agreed a variation £53.7m to the Aylesbury capital budget to establish a total budget £76.7m for the council's Aylesbury Regeneration programme. This was based on the analysis produced by Grant Thornton for the estimated land assembly costs for the Aylesbury Regeneration programme for the period 2013/14 to 2019/20. However, since signing the Aylesbury Development Partnership Agreement with NHHT, some of the initial assumptions on the costs and profiling of expenditure have changed which are detailed within the main body of the report. Some of the main changes that will impact on the profiling of the expenditure for the Aylesbury Programme are outlined below.
78. Some of the acquisition and rehousing programmes initially envisaged to occur in the latter stages and non active phases of the programme will now be brought forward as detailed in the report. The resources required in bringing forward a limited early buy back scheme with no rehousing assistance during 2015/16, as set out in paragraphs 26 – 31, can be contained within existing resources.
79. The report also highlights that since the DPA was signed, the land assembly and acquisition costs have increased. However, it is expected that the increase in sales value income due to the council under the DPA should offset the increased cost.
80. The demolition costs which were initially expected to be incurred by the council will now be undertaken by NHHT following the advice on the VAT implications for the council. This is expected to have a corresponding reduction in the land payments receipts expected in the future.
81. The report also indicates that since the selection of NHHT as the council's development partner, NHHT have secured grant funding of £27.452m from the GLA's 2015-18 Affordable Homes Programme. Discussions are currently underway between NHHT and the council on how this funding can best benefit the Aylesbury programme.
82. NHHT's application, to the government's Estate Regeneration Programme (ERP) for the Aylesbury programme, with the full support from the council has been shortlisted with the potential loan funding of up to £46.1m. The conditions of this potential loan funding are detailed in the report.
83. All the above will be subject to further discussions between the council and NHHT on how this impacts on the profiling of the capital expenditure on the council's capital programme and cashflow arrangements.
84. The current remaining capital budget for the Aylesbury programme is £69m for the period 2014/15 to 2021/22 and the costs identified in this report is expected to be contained within this overall total budget. However, following discussions with NHHT on the revised financial arrangements on the DPA, costs and budgets will need to be revised and re-profiled based on latest information and will be incorporated in the quarterly capital monitoring reports to cabinet. Close and robust monitoring will be required to ensure the costs can be contained within the

current approved budgets. Any requests for additional resources for the Aylesbury programme will be subject to further reports to cabinet for formal approval.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

85. Cabinet is advised that on 15 January 2009 the Major Projects Board (a committee of the then Executive) gave approval for the acquisition of all leasehold and other interests on the Aylesbury Estate, subject to funding being available, and that Board was advised of the legal basis for such acquisitions. Authority for the terms of individual acquisitions was delegated to the Head of Property.
86. This report sets out the basis on which future purchases will be progressed, and gives details of the funding allocation.

### **Strategic Director of Finance and Corporate Services (FC14/058)**

87. This report is requesting cabinet to note the progress update on the Aylesbury Regeneration programme since the council entered into the Aylesbury Development Partnership Agreement (DPA) with Notting Hill Housing Trust (NHHT) in April 2014. The progress updates on the Aylesbury programme are summarised on paragraph 1 and detailed within the main body of the report.
88. The strategic director of finance and corporate services notes that the total budgets approved by cabinet on 19 November 2013, as part of the quarter 2 2013/14 capital monitoring report was £76.7m and the total remaining budgets for 2014/15 and future years is currently £69m. It is noted that the total budgets and profiling of the expenditure was based on the analysis produced by Grant Thornton for the estimated land assembly costs for the Aylesbury Regeneration programme for the period 2013/14 to 2019/20.
89. It is noted that some of the initial assumptions on which the initial costs and profiling of expenditure were based, have changed since signing the Aylesbury Development Partnership Agreement with NHHT. These changes are summarised in the financial implications and detailed within the main body of the report. The strategic director of finance and corporate services recognises that these changes will require further discussions between the council and NHHT on how they impact on the council's capital programme and cash flow arrangements. It is noted that the costs identified within this report can be contained within the current overall budget allocation but the expenditure profile across the years will need to be updated in line with the latest information.
90. Regeneration programme of this magnitude presents significant risks to the council and it is essential that the discussions with NHHT on the financial arrangements minimises such risks. Regular and robust monitoring of the overall Housing Investment Capital Programme will be required to ensure there are sufficient resources to fund the council's overall capital programme on a yearly basis. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

**Strategic Director of Housing and Community Services**

91. Specialist Housing Services welcomes the opportunity to utilise properties being brought forward to earlier phasing and repurchase, as temporary accommodation units.
92. Using the repurchased properties for the provision of temporary accommodation has clear advantages for the authority:
  - Maximising the use of existing council stock and avoiding having to place homeless households in inappropriate and expensive bed & breakfast accommodation.
  - Maximising occupancy of the estate during decant, lowering the risk of squatting and anti-social behaviour.
93. The decision to serve statutory demolition notices is delegated to the Director of Housing and Community Services. As is noted in paragraph 62, the council continues to receive Right-to-Buy applications from tenants in Phase 4 blocks. There are currently 18 live applications in Phase 4.
94. Central government continues to promote the Right-to-Buy scheme and with increased discounts available from 6 April and the well-publicised plan to reduce the qualifying tenancy period to 3-years, it is expected that application numbers will rise further. The legislation relating to the service of demolition notices is prescriptive and the work is undertaken by Specialist Housing Services officers.
95. It should be noted that in addition to the proposal for phased service of demolition notices on blocks in Phase 4 of the redevelopment, the council will also be required to seek approval from the Secretary of State to extend a demolition notice served in April 2010 on certain blocks in Phase 2. The blocks in question are Wendover (241-471), Foxcote, Padbury, Ravenstone, Winslow, and Wolverton (152-192). The demolition notice was served at a time when the phasing of the redevelopment was subject to rescheduling and it expires in December 2016. The rehousing of tenants and homeowners in these blocks is well under way and it will not be necessary to make the approach to the Secretary of State until the start of the 2016/17 financial year.
96. The properties numbered 57-76 Northchurch form part of a larger block, which is not proposed to be demolished in Phase 2. In accordance with the leases, the service charges to the remaining leaseholders in the block will continue to be constructed using the full block definition. Although it is anticipated that the actual costs incurred in providing services to the block may be slightly reduced it is expected that by continuing to use the full block divisor there will be a loss to the Housing Revenue Account.

**BACKGROUND DOCUMENTS**

<b>Background documents</b>	<b>Held At</b>	<b>Contact</b>
Aylesbury Regeneration – Early activation of 57-76 Northchurch	Chief Executive's Department Southwark Council 160 Tooley Street London SE1 2QH	Simon Chambers 02075257495
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/documents/s52089/Report.pdf">http://moderngov.southwark.gov.uk/documents/s52089/Report.pdf</a>		
Gateway 2 - Contract Award Approval Development partner for the regeneration of the Aylesbury Estate	Chief Executive's Department Southwark Council 160 Tooley Street London SE1 2QH	Simon Chambers 02075257495
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/documents/s44910/Report.pdf">http://moderngov.southwark.gov.uk/documents/s44910/Report.pdf</a>		
Phase 1b and 1c Aylesbury Regeneration	Chief Executive's Department Southwark Council 160 Tooley Street London SE1 2QH	Simon Chambers 02075257495
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/documents/s45079/Report%20Phase%201b%20and%201c%20Aylesbury%20Regeneration.pdf">http://moderngov.southwark.gov.uk/documents/s45079/Report%20Phase%201b%20and%201c%20Aylesbury%20Regeneration.pdf</a>		

**APPENDICES**

<b>No</b>	<b>Title</b>
Appendix 1	Detailed conditions of early acquisition programme 2015/16

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Mark Williams, Regeneration, Planning and Transport	
<b>Lead Officer</b>	Neil Kirby, Head of Regeneration South	
<b>Report Author</b>	Simon Chambers, Programme Officer, Regeneration South	
<b>Version</b>	Final	
<b>Dated</b>	5 March 2015	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate	Yes	Yes
Strategic Director of Housing	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	5 March 2015	

## APPENDIX 1

### Detailed conditions of early acquisition programme 2015/16

- The council will pay market value for the properties to be acquired and there will be one offer for each property where a valid application is received.
- The vendor must provide vacant possession of the property on completion.
- The vendor must complete the sale to the council by no later than 3 months from the offer.
- In addition to market value, the council will make a home loss payment of 10% of market value provided the property is his/her principal or only home, or 7.5% if this is not the case.
- The council will pay owner-occupiers disturbance to cover their reasonable costs arising as a natural and direct consequence of the council acquiring their home; no disturbance will be payable to non-resident owners.
- The council will not provide any assistance to vendors in re-housing them or their tenants if they are non-resident owners.
- If at the time of completion of the purchase there are any arrears of service charge and/or council tax these will be deducted from the consideration paid to the vendor.
- On the launch of the scheme, all home owners will receive a pack of information containing details of the early buy back scheme and how they can apply which is relevant to both non-resident and resident home owners.

<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 17 March 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Community Infrastructure Levy and Section 106 Planning Obligations and Community Infrastructure Levy Supplementary Planning Document	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Councillor Mark Williams, Regeneration, Planning and Transport	

**FOREWORD – COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT**

Making the most of the regeneration of Southwark is crucial for our residents. I am therefore delighted to be bringing forward Southwark’s community infrastructure levy (CIL) and new Section 106 planning obligations and CIL Supplementary Planning Document. The CIL is a new levy that local authorities can choose to charge on new developments in their area. Subject to approval at council assembly, Southwark’s CIL will be introduced on 1 April and will be used to support growth by funding infrastructure that the council, local community and neighbourhoods want and need. The benefits of the CIL are increased certainty for the funding and delivery of infrastructure, increased certainty for developers and increased transparency for local residents. The CIL charging schedule has been subject to extensive consultation, viability testing and rigorous public hearings by an independent Examiner to ensure that the charges balance the need for infrastructure with our priorities of delivering affordable housing and supporting the on-going regeneration of the borough.

As well as helping fund strategic infrastructure, CIL will also be used to address local impacts of growth. The Localism Act introduces a requirement that councils spend at least 15% of their CIL funding on local projects and at least 25% where there is an adopted neighbourhood plan in place. Given the need to ensure that local communities benefit from CIL I'm pleased that the new SPD, which replaces our existing 2007 guidance, commits Southwark to spending at least 25% locally, irrespective of whether there is a neighbourhood plan. Funding will be spent on projects on a Community Infrastructure Project List which are consulted on and agreed through the community councils.

Once the CIL takes effect, the way s106 planning obligations are negotiated will change and they will have a much reduced role. However, while their role will be more restricted, they will continue to play an important part in ensuring that development benefits existing residents and businesses in the borough. In particular, the new SPD reiterates our commitment to securing jobs and training opportunities in construction and new development. It also introduces a "Green fund" that will enable the council to generate funding for local projects which reduce carbon emissions and sets out a new charge that will help fund much needed housing adaptations in existing homes for people with disabilities, in instances where it is not possible to provide wheelchair housing on-site. S106 obligations will also continue to be the means of securing affordable housing, as well as ensuring that development provides high quality public realm and site-specific transport improvements that are an essential component of regeneration.

The council will monitor collection and spend of CIL and S106 obligations, with details published on a regular basis. The council has also committed to reviewing CIL within 3 years to make sure that charges reflect current economic circumstances and priorities in the emerging New Southwark Plan.

## **RECOMMENDATIONS**

That cabinet recommends that council assembly:

1. Consider the Examiner's Report on the Southwark Community Infrastructure Levy (Southwark CIL) (Appendix A).
2. Approve the Southwark CIL (Appendix B) and bring it into effect on 1 April 2015.
3. Approve Southwark's "Regulation 123 List" (Appendix C).
4. Note the Southwark CIL Infrastructure Plan (Appendix D), the updated Equalities Analysis (Appendix E) and Consultation Report (Appendix F).

That cabinet:

5. Resolves to adopt the Section 106 Planning Obligations and Community Infrastructure Levy Supplementary Planning Document (the SPD) (Appendix G) on 1 April 2015, subject to approval of the Southwark CIL by Council Assembly on 25 March 2015.
6. Notes the SPD Consultation Report (Appendix H), the updated SPD Equalities Analysis (Appendix I), the Table of Modifications (Appendix J), the draft adoption statement (Appendix K) and the Habitats Regulations Assessment carried out under the EU Habitats Directive (Appendix L).
7. Agrees that a sustainability appraisal and environmental assessment are not required for the SPD and to the publication of the related Screening Assessment and Statement of Reasons (Appendix M).
8. Agrees to delegate the approval of any non-substantive amendments to the SPD to the Director of Planning in consultation with the Cabinet Member for Regeneration, Planning and Transport.

## **BACKGROUND INFORMATION**

### **Community Infrastructure Levy**

9. The CIL is a levy that local authorities can choose to charge on new developments in their area. The money can be used to support development by funding infrastructure that the council, local community and neighbourhoods want. Infrastructure is defined in the Community Infrastructure Levy Regulations 2010 (the CIL Regulations) to include: roads and other transport facilities, flood defences, schools and other educational facilities, medical facilities, sporting and recreational facilities and open spaces. The benefits are increased certainty for the funding and delivery of infrastructure, increased certainty for developers and increased transparency for local people.
10. If intending to apply the levy, councils (which are designated as "charging authorities")

must produce a document called a charging schedule (Appendix B) which sets out the rate for their levy. These rates must be supported by an evidence base including:

- An up-to-date development plan
  - The area's infrastructure needs
  - An overall assessment of the economic viability of new development.
11. Once brought into effect, the levy is a compulsory charge levied on most new developments that involve an increase of 100sqm or more of additional floorspace or that involve the creation of a new residential unit. The charging authority can set one standard rate or it can set specific rates for different areas and types of development.
  12. Some developments are exempt from paying the levy. These are developments of affordable housing and developments by charities of buildings used for charitable purposes.
  13. It should be noted that in London, the Mayor is also a charging authority. The Mayor has introduced a CIL to fund Crossrail. The Mayor's levy is £35 per square metre, with a limited number of exceptions. Southwark collects this levy on behalf of the Mayor.

#### **Process for preparing a CIL**

14. The process for preparing a CIL involves a number of stages which are identified below:
  - i. Consultation on a Preliminary Draft Charging Schedule (this is the first CIL document the council consulted on. Southwark consulted on the preliminary draft CIL between July and October 2012)
  - ii. Consultation on a Draft Charging Schedule (the council consulted on Southwark's draft CIL between February and April 2013 and a Revised Draft Charging Schedule (RDSCS) between December 2013 and February 2014)
  - iii. Submission of the Draft Charging Schedule to the planning inspectorate, consultation on any post-submission modifications and examination-in-public
  - iv. Receipt of the Examiner's Report and approval of CIL.
15. The council is now at the final stage in the process. The examination-in-public hearings on Southwark's Revised Draft Charging Schedule (RDSCS) took place in July 2014. Following the hearings, the Examiner issued an interim findings report which advised that the council would need to prepare and consult on further evidence in order to justify its proposed rates. The council also proposed a number of modifications to the RDSCS in light of the examiner's interim findings and the further evidence. The council consulted on the modifications and further evidence between 11 December 2014 and 13 January 2015. Representations received were passed to the Examiner and on 2 March he submitted his final report (Appendix A).
16. In accordance with the CIL Regulations, the Examiner's Report was published by the council as soon as was practicable. The Planning Act 2008 stipulates that a local authority cannot approve its CIL unless an examiner has recommended approval and may only approve it subject to any modifications recommended by the examiner.



## Infrastructure planning

17. In conjunction with preparing a CIL charging schedule, authorities should also prepare an infrastructure plan setting out strategic infrastructure required to support growth over the period of the council's local plan (in Southwark's case the core strategy period of 2011-2026). Southwark's infrastructure plan is set out in Appendix D. The infrastructure plan is part of the evidence base needed to help justify levying a CIL. The infrastructure set out in the plan is not an exhaustive list. It is intended to be a living document which can be updated regularly. Omission of infrastructure items from the list would not preclude such items being funded in the future through CIL. Nor does the plan commit the council to spending the amounts set out in the plan.
18. A key principle of CIL is that after CIL is adopted authorities should not be spending both CIL and Section 106 planning obligations on the same item of infrastructure. Government advice in the National Planning Practice Guidance (NPPG) requires authorities to be clear about those items which will not be funded by section 106 planning obligations and set these out in a list (Appendix C). This is called a Regulation 123 list (which refers to Regulation 123 of the CIL Regulations). After CIL has been approved, the Regulation 123 List can be amended, subject to appropriate local consultation.
19. Because the purpose of CIL is to support growth rather than mitigate impacts of specific developments, it can be used more strategically than section 106 contributions. A protocol for governing expenditure will be prepared in due course.
20. Under the Localism Act, the council must identify a 'meaningful proportion' of Southwark CIL that will be spent in the local area to ensure that those people affected by development see some of the benefit. The government has confirmed that the "meaningful proportion" will comprise 25% of CIL funding in areas where there is an adopted neighbourhood plan and 15% elsewhere. The SPD explains how this would be implemented in Southwark. Southwark will aim to spend at least 25% in all areas of the borough. Funding would be allocated to projects on the community infrastructure project list (CIPL) which is based on a recently revised project bank list. This would be updated every year in consultation with the community councils and the planning committee to ensure it reflects local needs.
21. The council will monitor the collection and use of CIL and publish these details in an annual report.

## Section 106 Planning Obligations

22. Planning obligations are used to address negative impacts of a development. They are legally binding and comprise either an agreement between a council and a developer or a unilateral undertaking made by a developer. They can be used to specify the nature of developments (for example, requiring a given portion of housing to be affordable), compensate for loss or damage created by a development (for example, loss of open space), or address a development's impact (for example, through a contribution towards public realm improvements in the local area). They can involve a financial or non-financial obligation. Southwark's current guidance on section 106 planning obligations is set out in the 2007 Section 106 Planning Obligations Supplementary Planning Document (the adopted SPD).

23. The adopted SPD sets out a number of standard charges which the council uses to calculate section 106 planning obligations. These charges cover a range of infrastructure, including school places, open space, strategic transport improvements, sports development and play facilities. Funding which is generated is often pooled as individual obligations are often not sufficient to pay for large infrastructure items.
24. However, the introduction of the Planning Act 2008 and the CIL Regulations has changed the way that developments contribute towards funding strategic infrastructure. Section 106 planning obligations will continue to be used, but will have a much more restricted role. Once a CIL has been adopted or by 6 April 2015 (whichever is the sooner) local authorities will not be able to pool more than 5 separate planning obligations to pay for one item of infrastructure. The intention of the CIL Regulations is that section 106 planning obligations should mainly be used to secure site specific infrastructure which is needed to directly mitigate the impact of development. Examples might include an access road needed to make the development acceptable or public realm improvements around the site. This restriction will make it very difficult for the council to apply the standard charges in the adopted SPD which are based on the principle of pooling funding. If the council does not introduce a CIL by 6 April 2015 it will potentially lose a significant amount of funding that is needed to contribute to strategic infrastructure which is required to promote growth and development in its area.
25. Affordable housing will continue to be secured through Section 106 planning obligations.
26. The council has prepared a revised SPD (Appendix G) to be adopted at the point that Southwark's CIL comes into effect. The revised SPD will supersede the adopted SPD and provides detailed guidance on the use of planning obligations alongside CIL. It explains the circumstances in which the council will seek to negotiate section 106 planning obligations. This includes circumstances where public realm or site specific transport improvements are required and where developments do not meet on-site policy requirements for amenity space provision, play facilities and carbon dioxide reductions. The revised SPD must be consistent with Southwark's Core Strategy and in general conformity with the London Plan.
27. The council consulted on the revised SPD between December 2013 and February 2014. All responses have been considered and a number of amendments have been incorporated into the final document in the light of these. The revised SPD should be adopted on the day that the Southwark CIL takes effect.

## **CONSULTATION**

### **Community Infrastructure Levy**

28. The council's approach to consultation on the CIL was consistent with the CIL Regulations 2010 and our Statement of Community Involvement (SCI) 2007.
29. In compliance with the SCI, the council consulted on the Preliminary Draft Charging Schedule for a period of 14 weeks, which included 6 weeks of formal consultation between 5 September and 17 October 2012. A second round of consultation was then held on the Draft CIL Schedule for a period of 8 weeks including a formal period of consultation of 6 weeks between 20 February and 3 April 2013. Southwark then

consulted on a Revised Draft Charging Schedule (RDCS) for a period of 12 weeks, including a 6 week period of formal consultation between 14 January 2014 and 25 February 2014. Finally, during the examination stage the council consulted for a period of 4 weeks between 11 December 2014 and 13 January 2015 on further evidence and proposed modifications to the RDCS.

30. At each stage of consultation, as well as making the document available on the web and in local libraries, the council notified around 3,000 consultees in the Planning Policy database. The preliminary draft, draft and revised draft CIL were publicised at the community council meetings and an events were held in September 2012 and October 2014 with developers to raise awareness about CIL and to discuss the evidence base. A full report on consultation is contained in Appendix F.

### **Section 106 Planning Obligations and CIL SPD**

31. As noted above, Southwark's SCI provides guidance on consultation on planning documents in the borough. The SCI together with the Town and Country Planning (Local Planning) (England) Regulations 2012 guided Southwark's approach to consultation on the SPD.
32. In conjunction with the RDCS, the council consulted on the SPD for a period of 12 weeks, including a 6 week period of formal consultation between 14 January 2014 and 25 February 2014. As in the case of CIL, the document was advertised in the press and available on the web and in local libraries. The council notified around 3,000 consultees and the document was publicised through community councils. Officers were also available to attend meetings of community groups and other organisations where requested.
33. In all, the council received 17 representations on the SPD from individuals, developers and organisations. A summary of these comments is set out below. A verbatim set of comments and the council's response is set out in the SPD Consultation Report (Appendix H).

#### Greater London Authority

- Supports the SPD and welcomes the approach to carbon offset. Charge for carbon offset should be aligned with the Mayor's Sustainable Design and Construction SPG (£60 per tonne). Subject to this change the document is in general conformity with the London Plan.

#### Transport for London

- Recommended including reference to bus service enhancements as a potential Section 106 planning obligation and to specifically state what the council's priorities are for Section 106 planning obligations.

#### Other statutory consultees

- English Heritage recognise the council's intention is to address at risk heritage issues through Section 106 planning obligations as set out in the SPD.
- Environment Agency support references to flood mitigation. For developments fronting the Thames, the EA asks for the draft SPD to align with the Thames

Estuary 2100 (TE2100) Plan and support the flood risk management measures identified by it.

- Thames Water request consideration of using planning obligations or the Community Infrastructure Levy to fund wastewater infrastructure.

#### Residents

- Further clarification is needed on the decision making and the spending protocol of local CIL. A community involvement policy is needed to give meaning to the statement that 25% of CIL money will be spent locally on project ideas created by the local community.
- More clarity is needed on consultation, selection and approval of CIPL projects to spend the local CIL percentage. Clarification needed on the purpose of this sequence of priority areas for spending local CIL.
- The current project banks should still be used for Section 106 planning obligations, even though projects will need to address the impacts of a single development. The current wording in SPD implies there will be no more “community benefit” from Section 106 planning obligations which is inaccurate. An evaluation of the community experience should be done.
- No decision making process for CIL spend, only a process for assembling a projects list. All CIL spend should be formally approved by the Neighbourhood Forum or the Community Council and listed in the minutes of these meetings.
- CIL monitoring reports should be reported to Community Councils and Neighbourhood Forums, not only published on the web.
- Monitoring and administration percentage of CIL should include a portion for the capacity building of neighbourhood forums so they can be an effective partner in the CIL process.

#### Southwark Liberal Democrat group

- Happy with most aspects of the document.
- All efforts should be made to ensure CIL funds are spent locally. Community Council areas considered too large and where the development does not fall within a neighbourhood plan or opportunity area this should be examined on a case by case basis to ensure those residents whose lives are affected by the development can benefit from the new investment.
- Clarification requested on the decision to have a flat rate of 25% of CIL for the local proportion, instead of 15% for areas with no neighbourhood plan. Whilst additional local funding is welcome, this could discourage preparation of neighbourhood plans.

#### Developers/Landowners

- Carbon Offset Fund: Further guidance on the position of whether or not financial obligations would be sought if a major development fell short of the 20% aspiration for on-site renewable target; inclusion of wording to ensure that the policy requirement is monitored in the context of changes in technology and policy.
- Children’s Play Space: Suggestion to remove the Mayor’s Play and Informal Recreation SPG (2011) guidance rather than replicate it in the SPD; off-site contributions should only be required if there is not appropriate on site or local capacity; reference to ‘Child Bed Spaces’ is confusing –refer to ‘Child Yield’; and

reference could be made to funding for a specific play space based on actual costs if agreed with the council as an alternative to the £/sqm payment.

- Employment and Business Contributions: Important to ensure that obligations can be implemented flexibly to reflect the particular issues and opportunities associated with individual sites; density standards applied to the formulae should therefore reflect the actual nature of existing and proposed stock.
- General comments: The CIL guidance in the SPD should be removed given the specific and technical nature of the subject matter, and put in a separate guidance note; include a reference on where planning obligations meet the tests set out in CIL Regulation 122, these are not generally expected to be onerous or greater than the equivalent of around £1,500 per unit as assumed in the CIL viability study; request clarification on the council's instalments policy, the content of a Planning Obligations Statement; remove the reference to 'claw-back' mechanisms.

## KEY ISSUES FOR CONSIDERATION

### Community Infrastructure Levy

34. The CIL Regulations specify that in setting their levies charging authorities must strike a balance between the desirability of securing funding for infrastructure and the potential impacts of charging a CIL on the economic viability of development across their areas. Levies must also take into account the requirement to pay the Mayoral CIL and should also consider impacts on planning policies, including the requirement to provide affordable housing. Following a lengthy period of preparation and an examination-in-public, the council has received the Examiner's Report and is able to approve its CIL and bring it into effect. As was identified in paragraph 16 above, it should be noted that the council can only approve its CIL subject to the modifications proposed by the Examiner.
35. A summary of the proposed charges included in the RDCS is set out below:
- Residential Zone 1: £400 per square metre (north of Union Street, Snowfields and Jamaica Road and including relevant areas in Bankside, Borough, London Bridge and Shad Thames).
  - Residential Zone 2: £200 per square metre (including Canada Water, Bermondsey, Elephant and Castle and Dulwich).
  - Residential Zone 3: £50 per square metre (including the Aylesbury Estate, southern end of Old Kent Road and Peckham).
  - Student housing: £100 per square metre in the case of direct-let rent schemes and £0 for nomination rent schemes.
  - Office: £70 per square metre in CIL zone 1 and £0 elsewhere.
  - Retail: £250 per square metre for shopping centres and supermarkets and £125 per square metre for other retail types
  - Town centre car parking: £0 per square metre
  - Health, education and public libraries: £0 per square metre
  - Industry and warehousing: £0 per square metre
  - All other uses: £30 per square metre
36. Following the public hearings into the RDCS in July 2014 the Examiner issued his interim findings which included the following:

- The residential rates should be supported by further evidence regarding a number of inputs into the viability appraisals including build costs, contingency, profit rates and floorspace efficiency.
  - There was insufficient evidence to justify the higher retail rate.
  - There was insufficient evidence to justify the charge for “all other uses”.
  - A minor modification should be made to the definition of nomination student housing.
  - The boundary between Zones 1 and 2 should be realigned along the railway viaduct just to the north of Union Street, rather than Union Street itself.
37. Following receipt of the interim findings report, the council prepared additional evidence advised by the Examiner. It also proposed the following modifications to the RDCS:
- The rate of £250 per square metre for shopping centres and supermarkets should be replaced by a flat retail charge of £125 per square metre
  - The charge for “all other uses” should be reduced to £0
  - The Union Street boundary should be amended, in accordance with the Examiner’s findings
  - The definition of nomination student housing should be amended, in accordance with the Examiner’s findings.
38. On 2 March 2015 the council received the Examiner’s Final Report (Appendix A). The Examiner endorsed the RDCS, recommending that it should be approved subject to the council making the modifications set out in paragraph 37 above.
39. With regard to residential development, 42 of the schemes appraised in the evidence base contained residential homes (6 in CIL Zone 1, 29 in CIL Zone 2 and 7 in CIL Zone 3). Of these, there were two schemes which were made unviable by CIL. 24 schemes were viable and the remainder (16 schemes) were unviable before the application of a CIL charge. In all cases CIL comprised a small proportion of gross development value (on average less than 3%). It was the view of the council’s consultants, BNP Paribas, that the outcomes show that where schemes are unviable, with the exception of two developments, this would not be because of CIL and consequently CIL would not be a critical factor in determining whether schemes are delivered. The Examiner broadly endorsed the inputs and methodology used in the viability appraisals and also noted that there was not sufficient evidence to justify lower rates in opportunity areas or action areas.
40. The Examiner noted the need for a small adjustment in the boundary of CIL Zone 1, to align the boundary with the viaduct rather than Union Street. There are few development opportunities in the area between Union Street and the viaduct and this change would not be expected to have a significant impact on overall CIL income.
41. There was discussion during the public hearings about private rented sector (PRS) housing and whether such housing should have a different CIL rate from private “for sale” housing. The Examiner noted that Southwark has no adopted planning policy which would limit a developer’s ability to offer property for rent or conversely which would restrict it and prevent it changing to “for sale” housing. Moreover, available evidence suggested that residential developments will alternate between PRS and “for sale” housing, according to changing circumstances. The viability evidence identified that although in some instances PRS is less viable than “for sale” housing, the

proposed CIL rates are set at a level that should allow PRS schemes to come forward. The Examiner endorsed the council's approach.

42. 8 schemes involving student accommodation were appraised. One of these was made unviable by the proposed CIL charge and 4 were unviable before the application of CIL. It is considered that the council's approach of dual charges of £100 per sqm for direct let student accommodation and a nil charge for schemes delivered with universities, where rents are capped over a period of at least 7 years, remains justified. The Examiner noted that a small change was required in the reference to the rent cap in the RDCS (to refer to an average rent rather than a cap).
43. With regard to offices, based on evidence of new developments and lettings and investment deals undertaken in the borough it is evident that the office market in the north of the borough around CIL Zone 1 is thriving. Elsewhere in the borough, office rents are identified as being considerably lower and as a result developments incorporating large amounts of office space are unlikely to come forward in the short to medium term as speculative developments as the capital values generated are insufficient to cover development costs. In most cases such uses are being cross subsidised by other uses in the developments and such space is only coming forward as part of mixed use developments. Overall, it is considered that the charges in the RDCS are justified and the Examiner did not question the council's approach.
44. Similarly, the evidence suggested that industrial and warehousing development is largely unviable in the current market, which would justify a nil charge. The Examiner did not question this approach, or the council's proposal that health and education uses and public libraries, which are often publically funded, are nil rated.
45. With regard to hotels, the Examiner concluded that the hotel market in London is buoyant and there is good evidence that capital values per room are very much higher in the north of the borough. The rates in the RDCS reflect this situation and are sufficiently conservative.
46. With respect to retail, the Examiner concluded there was not sufficient evidence to justify a higher charge for supermarkets and shopping centres or malls. By contrast, the lower rate of £125 per square metre was not substantially challenged. Of 36 schemes tested which involved retail provision, only one was made unviable by the proposed CIL rates. The reduction in the CIL charge from £250 per square metre to £125 per square metre is not expected to have a significant impact on overall CIL income. There are few opportunities to deliver supermarket/shopping centre type development and much of the space that will be delivered (for example on the Elephant and Castle shopping centre, Surrey Quays shopping centre and the Aylesham Centre) will replace existing space, which would significantly reduce CIL liability in any event.
47. The Examiner also considered that the council's nominal charge for "other floorspace" was not justified by evidence. 6 schemes involving a cinema, assembly and leisure uses and a private gym were tested and all were unviable before the application of CIL. While it was not necessarily the leisure uses that made these schemes unviable, it is not considered that the evidence would justify a charge for "other floorspace".
48. Overall the Examiner concluded that the council had been realistic in terms of achieving a reasonable level of CIL income to address an the acknowledged gap in

infrastructure funding which is need to support growth, while ensuring that a range of development remains viable across the borough as a whole.

49. The CIL Regulations also require publications of a Regulation 123 List, alongside a CIL. This is a list of infrastructure items that in the future will not be funded by section 106 planning obligations. These are items which could be funded or part funded by CIL. Projects not referred to on the list could be funded by either CIL or planning obligations. However, it is anticipated that Section 106 planning obligations would only be used to pay for site specific infrastructure, such as an access road, improvements to the public realm around the site or instances where a developer were not able to meet planning policy requirements for on-site infrastructure, such as children's play space or amenity space. The NPPG advises that authorities should be as clear as possible about what will be funded by CIL to avoid a scenario where a developer is charged twice for the same piece of infrastructure, once through CIL and again through Section 106 planning obligations. The Regulation 123 List can be amended with appropriate consultation and without the need to revise CIL rates.

### **Section 106 Planning Obligations and CIL SPD**

50. The SPD explains how section 106 will operate alongside CIL. It provides planning applicants with guidance on the most commonly negotiated site specific section 106 planning obligations and also provides a clear process for calculating these obligations. It sets out the threshold at which obligations will be sought and the mechanism for calculating charges. It also recognises that there will be occasions when a development proposal below the threshold size, or a very large scheme, create impacts which justify an exception to this process.
51. The SPD also explains the Mayoral Crossrail planning obligation and the Mayoral CIL (the Mayor is a CIL charging authority as well as Southwark) to make sure that applicants include these additional payments.
52. Finally the SPD explains how funding, including the finding for local projects, will be spent by the council.

### **Differences between the adopted SPD and the revised SPD**

53. A number of parts of the adopted SPD have been retained, expanded or enhanced and new sections have been added so as to explain site-specific development requirements and to secure on-site or local improvements arising from development. The revised SPD provides specific guidance on how the council will deal with the most commonly negotiated site specific section 106 planning obligations, which include standard charges and detailed guidance addressing the following areas:

- Affordable housing
- Archaeology
- Carbon dioxide offset – green fund
- Children's play space
- Employment and enterprise – jobs during construction and final development
- Outdoor amenity space
- Public realm
- Student Housing – university schemes
- Transport: Site specific measures



- Wheelchair accessible housing

### **Affordable housing**

54. There is a need for more affordable housing in the borough, especially for families. Affordable housing lies outside of CIL and will continue to be secured through a section 106 planning obligation in line with Policy 5 of the Core Strategy (2011) and the adopted and draft Affordable Housing SPDs (2008 and 2011 respectively).

### **Archaeology**

55. Given its historical setting, Southwark has very important archaeology. Planning obligations will continue to be asked for to support the council's monitoring and supervisory role in archaeological matters to ensure that archaeology is properly managed and preserved. A contribution will continue to be secured from developments within the archaeological priority zones in the borough, on the basis of the likely officer time required to carry out a desk-based assessment, archaeological evaluation, and archaeological excavation.

### **Carbon dioxide offset – Green Fund**

56. Southwark's Sustainable Design and Construction SPD (2009) states that where planning policy energy targets cannot be met, any short-fall should be provided off-site or through a cash in lieu contribution to the borough. This is consistent with the Mayor's draft Sustainable Design and Construction SPG (2013) which states that boroughs should establish a carbon dioxide reduction fund and set a price at which the carbon dioxide short-fall will be calculated.
57. Section 106 planning obligations would be asked for where developments do not meet the on-site carbon dioxide reduction targets set out in the development plan (a 40% improvement over the Building Regulations). Any shortfall against the target would be charged at £60 per tonne, which is in line with the national charge identified by the government. Any payments collected would then contribute to a green fund containing a list of projects for energy improvement schemes in council owned buildings, such as schools, libraries, housing etc. and which would not otherwise be funded.

### **Children's play space**

58. New developments are expected to provide play space for children in line with the Core Strategy Policy 7 and the London Plan, with further detail set out in Southwark's Residential Design Standards SPD (2011) and the Mayor's Supplementary Planning Guidance on Shaping Neighbourhoods Play and Informal Recreation (2012). In exceptional circumstances where this cannot be secured on site, the council will seek a section 106 planning contribution to improve play space elsewhere in the vicinity of the development.

### **Employment – jobs during construction and final development**

59. Maximising employment and employability amongst Southwark's population is another key priority for planning obligations and also the council's Economic Well-being Strategy (2010-2020). The council will continue to seek to secure a planning obligation for the placement of unemployed jobseekers from the local area into jobs within the

construction phase of a development and the final development, either through an existing on-site work programme, or through setting up a new programme to target the employment sector of the final development.

60. The adopted SPD standard charges for employment during construction and general end phase employment have been reviewed and updated as appropriate.
61. It will also be important to secure planning obligations where appropriate to maintain and enhance the supply of employment space, and also support new inward investment opportunities and growth in the existing business base. To that end, the council will require a planning obligation from developers to contribute towards skills and employment programmes where employment floorspace in protected employment locations set out in the Core Strategy is lost. A local supply side procurement obligation in addition to the intention to secure the provision of affordable business space where appropriate have also been included in the revised SPD.

### **Outdoor amenity space**

62. All new residential development must provide an adequate amount of useable outdoor amenity space. Southwark's Residential Design Standards SPD (2011) sets out the minimum standards which must be met in new developments.
63. In exceptional circumstances where the required provision of amenity space for a development cannot be provided on site, the council will seek a section 106 planning contribution to improve open space elsewhere in the vicinity of the development site. Any shortfall in the required provision of amenity space will be subject to a charge per square metre.
64. In general, funding for the provision, enhancement and maintenance of open spaces required as a result of incremental population growth, will be provided as part of CIL contributions and other capital funding.

### **Public realm**

65. High quality public realm is an important aspect of any development and ensures that a building or site is integrated into the existing built fabric and street scene. The council will continue to expect developments to mitigate the impact on the public realm in the vicinity of the development. Contributions will either be secured through a commitment by the applicant to carry out a schedule of works under a section 278 agreement, or a contribution to works to be carried out by contractors employed by the council.
66. The revised SPD also recognises that the council may use CIL to fund or part fund strategic projects to improve the streetscene and built environment, such as the improvements to the public realm at the Elephant and Castle northern roundabout or the Camberwell Green town centre improvements.

### **Student Housing – university schemes**

67. There are two distinct types of student accommodation available in Southwark. This has been identified in the BNP Paribas Real Estate's Student Housing Study: Implementation (March 2011) and has also been confirmed in the representations to the consultation on Southwark CIL by the major student accommodation providers in

the borough. One type of accommodation is direct let student housing which charges unrestricted rents. The other, usually tied to a university, is nomination schemes which charge restricted rents at lower than market levels.

68. Given there is a viability consequence of offering restricted rents, it is proposed that Southwark's CIL is not applied to restricted rents university student accommodation. A corresponding planning obligation will be sought to ensure that the reduced rental level is provided. This obligation will be optional for a university. In the event that the option is not taken, the development would become liable to pay CIL.

#### **Transport measures – site specific**

69. The current standard charge for strategic transport infrastructure has been removed from the revised SPD as CIL funds and other mainstream funding programmes will be used to address the cumulative impacts of development on the transport network. However, individual developments may cause a site-specific impact which should be directly addressed through measures provided in the development itself, or where that cannot be achieved the council will use section 278 agreements under the Highway Act 1980 or section 106 planning obligations. Such measures can include new pedestrian crossings, cycleways, and car club parking spaces. The revised SPD also recognises that larger developments may need to directly contribute to wider transport improvements where required to enable the delivery of the site.

#### **Wheelchair accessible housing**

70. Planning policy requires all new major residential developments to provide at least 10% of the number of habitable rooms to be wheelchair accessible. However, there are some locations where site constraints make it difficult or impossible to provide disabled car parking spaces. In exceptional circumstances where development proposals demonstrate that it is not viable or feasible to meet the wheelchair accessible unit policy requirement and requisite on-site disabled car parking spaces, a commuted sum can be secured through a section 106 planning obligation to mitigate the impact of the development.
71. In these circumstances the council would seek £30,000 per wheelchair accessible unit not being provided. This level of contribution is based on the expected cost for Southwark to make adaptations to existing properties to meet the needs of disabled occupiers.

#### **Implementation of CIL**

72. The final section of the SPD explains what CIL funds can be spent on which is much wider than the current section 106 standard charging approach. This includes the provision, improvement, replacement, operation or maintenance of infrastructure to support the growth identified throughout the borough, which will be set out in a CIL spending protocol.
73. The Localism Act requires local authorities to spend a meaningful proportion of CIL locally. The government recently confirmed that this proportion should be either 25% of CIL funds where a neighbourhood plan is in place and 15% elsewhere. Where there is no parish council in place, such funds should be spent in consultation with the local community. Southwark anticipates that local CIL funds will be spent on projects

identified in the Community Infrastructure Project List (CIPL). The CIPL will take over from the section 106 project banks and will contain projects agreed by community councils or through a neighbourhood plan. The CIPLs will be updated at regular intervals.

74. The SPD signals that Southwark will spend at least 25% of CIL funds locally, irrespective of whether a neighbourhood plan is in place. The council will use the following sequence of areas to identify relevant projects, depending on the location of the development site:
- Areas with an adopted neighbourhood plan
  - Opportunity areas
  - Action areas
  - SPD areas (other than individual sites/buildings)
  - Community council areas (for those areas which are not covered by any of the above).

### **Post consultation changes**

75. Following consultation on the draft SPD, a number of changes are proposed. These are shown in the Table of Modifications (Appendix J).
76. All sections have been updated to reflect any changes in the references to other guidance, plans, legislation and webpage links.
77. Several respondents requested further detail and clarification of the community involvement, consultation and the spending protocol of local and borough CIL funds, and specifically in relation to the CIPL. Section 6 of the SPD has been amended to provide additional clarification and address some of the points raised to provide more transparency. The council's website will also be updated regularly to provide details on the creation of CIPL project lists, community involvement and CIL spend reporting.
78. Minor amendments have also been included in Appendix 1 of the SPD (Standard charges), to include further clarification in applying the calculations for the carbon offset green fund; children's play space; employment and enterprise; student housing; and transport site specific measures.

## **COMMUNITY IMPACT STATEMENT**

### **Equalities Analysis**

#### **Community Infrastructure Levy**

79. An equalities analysis was undertaken as part of the preparation of the CIL Preliminary Draft Charging Schedule. This was updated to reflect the changes proposed in the RDCS and the proposed modifications (Appendix E). The equalities analysis considered the potential impacts arising as a result of the boundaries of the charging zones and the different levels of charge that would be applicable to different types of development within these zones. In accordance with the Equality Act 2010, the analysis considers the potential impacts of the charging schedule on those groups identified within the Act as having protected characteristics. The main issues are summarised below.

80. The range of CIL charges proposed and the boundaries of the charging zones are considered to give rise to limited impacts on the individual groups that are identified in the Equality Act. The imposition of a CIL charge could have potential impacts on small businesses in some parts of the borough, which could impact on a range of groups including BME communities. We propose to adopt a nil charge for office floorspace in all areas except for the commercial areas adjoining the river. As well as benefitting new businesses directly, this approach will ensure that CIL does not act as a barrier to job creation or as a disincentive to provide local services, which are important to those with reduced mobility, such as older people, disabled people and those who are pregnant or have young children.
81. While the nil charge for small shops was deleted, the testing of sites showed that a modest charge, which is comparable to charges in the adopted SPD, would not impede such development. The reduction in the CIL charge for supermarkets and shopping centres is unlikely to have any significant impacts on groups with protected characteristics. There are few opportunities to develop such space in the borough and CIL is unlikely to be a decisive factor in determining whether such developments go ahead.
82. While the deletion of the charge for “other floorspace” may result in a small reduction in overall CIL revenues, this would be offset by beneficial impacts on groups with protected characteristics. It would reduce costs in developing such floorspace, reducing the overall cost burden for the development of space which is used by community groups, including meeting spaces, youth clubs etc.
83. There is a small risk that CIL will drive up values which will make it harder to access housing which is affordable. However, the proposed charging schedule has been informed by viability appraisals and the level of CIL reflects existing values and is not reliant on any increase in values. The reduction in CIL residential rates from £250 to £200 and the fact that we have also set the level of CIL significantly below the maximum level which could be charged will help mitigate impacts on land values.
84. The proposed lower tariff in the centre of the borough acknowledges the need for new and improved infrastructure, but also aims to ensure that CIL does not hinder regeneration attempts, for instance in Peckham and at the Aylesbury Estate. Ultimately, CIL is a mechanism intended to raise money to fund infrastructure that will contribute to sustainable development in the borough. In this sense, the adoption of CIL should have an overall positive impact on the various equalities groups. More specific impacts may arise depending on the types of infrastructure that are ultimately funded through CIL, but such issues are not broached as part of the charging schedule and will be considered in due course in the context of decisions concerning expenditure.

### **Section 106 Planning Obligations and CIL SPD**

85. Before adopting the SPD, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not. An updated equalities analysis (Appendix I) has been carried out to assess the impact of the SPD on the nine protected characteristics set out in the Equality Act 2010. It is recognised that the SPD

guidance may have many similar impacts on these different groups of people who have protected characteristics, and that the overall impact of the SPD will be positive on all residents and people who work in and visit the borough. For example, a key aspect of the guidance is the creation of an enhanced public realm that is safe, well-lit and inclusive, in accordance with the parent local plan policies. This would improve accessibility for those with a physical disability and also promote wider community inclusion. We also carried out equalities analysis for all of the current adopted and draft documents in the planning policy framework. The findings of these analyses have helped to inform the guidance that we have prepared in the revised SPD.

## **Sustainability Appraisal**

### **Community Infrastructure Levy**

86. The Core Strategy 2011 was subject to a sustainability appraisal incorporating a strategic environmental assessment to ensure that principles of sustainable development were thoroughly considered. The Southwark CIL is an extension of the spatial vision and policies set out in the Core Strategy and should not raise additional implications for sustainable development objectives which have not been previously considered. The guidance in the NPPG on Charge setting and charging schedule procedures states that sustainability appraisal for CILs is not required.

### **Section 106 Planning Obligations and CIL SPD**

87. Section 19 of the Planning and Compulsory Purchase Act 2004 originally required a local planning authority to carry out a sustainability appraisal of new development documents covering social, economic and environmental issues. This appraisal would also extend to meet the requirements of EU Directive 2001/42/EC in relation to the environmental assessment of the effect of certain plans and programmes.
88. The Planning Act 2008 removed the automatic requirement for an SPD to have a sustainability assessment. This is because such documents do not normally introduce new policies or proposals or modify a planning document which has already been subjected to a sustainability assessment at a higher level.
89. The Government does however advise local planning authorities to screen documents to ensure the requirements of an SA have been considered in a higher level policy document. The requirements of the Environmental and Assessment of Plans and Programmes, which incorporates the requirements of the Directive, still need to be considered.
90. The screening assessment (see Appendix M) has been prepared to determine whether or not the SPD is likely to have an impact on sustainability or a significant effect on the environment. The assessment concluded that it is not necessary to carry out a sustainability appraisal or an environment assessment in this case because the SPD does not introduce new policies, determine the use of land or constitute a minor modification to a plan. It simply provides guidance on policies contained in the London Plan, Core Strategy, Canada Water AAP, Aylesbury AAP and Peckham and Nunhead AAP and supplements the guidance contained in supplementary planning documents that relate to sustainable development, infrastructure and affordable housing.
91. The policies referred to in the SPD have been sufficiently appraised in parent

documents. The council considers that the SPD will not result in any additional significant effects to those already identified at a higher level. It will provide more detailed guidance to developers to ensure that the potential positive effects identified in the sustainability appraisals of the parent plans are realised.

92. In accordance with Regulation 9 (2) (b) the council consulted on the screening assessment with the “consultation bodies” (English Heritage, Natural England and the Environment Agency). A copy was also made available on the council’s website. The consultation bodies agreed that a sustainability assessment and environmental assessment were not required.
93. Recommendation 7 of this report asks cabinet to agree that a sustainability assessment and environmental assessment are not required. This comprises the council’s formal determination in accordance with Regulation 9 (1). The council is also publishing a Statement of Reasons (Appendix M) which is required by Regulation 11 (1) (b).
94. The council has carried out an habitats regulations assessment screening to assess any impacts on EU protected wildlife habitats (Appendix L). The screening concluded the guidance in the SPD is unlikely to have any significant discernible adverse impact on European protected habitats and therefore a full assessment is not required. Natural England were consulted on the SPD but did not comment.

## **FINANCIAL IMPLICATIONS**

### **Community Infrastructure Levy**

95. In the first year of operation, it is estimated that the Southwark CIL will secure £7-8m, which is broadly comparable to the non-affordable housing income gained through section 106 planning obligations. There is a time delay in securing either section 106 planning obligations or CIL actual income, but CIL will replace the majority of section 106 income over time. Overall, CIL is expected to generate around £112m over 20 years at today’s prices, although this may vary significantly depending on how much development takes place. The rates set out in the CIL charging schedule (Appendix B) will be index linked and should increase over time.
96. The modifications recommended by the Examiner will result in a further reduction in CIL revenues. However, as set out in paragraphs 40 and 46 above, it is not expected this reduction would be significant. The council’s modelling of future CIL revenues is reliant on residential development and would not be affected by the modifications.
97. The expenditure of CIL income is far less restrictive than section 106 funding and allows the council to apply it for infrastructure that supports growth in the borough. The proposed Southwark CIL is a direct response to previous changes in legislation the prevent using Section 106 tariffs (such as the current S106 toolkit and transport tariff in the Elephant and Castle SPD) from April 2015.
98. Costs associated with both managing, monitoring and establishing Southwark CIL can be recouped from up to 5% of any CIL income.

## **Section 106 Planning Obligations and CIL SPD**

99. As is noted above, it is expected that funding generated by section 106 planning obligations will decrease once CIL comes into effect. This is because funding for strategic infrastructure, which has previously been generated by section 106 planning obligations will in the future be generated by CIL. Officers have estimated that the financial value of section 106 planning obligations per home will be about £1,500, following approval of CIL, although this may vary depending on site specific circumstances and may be provided in-kind in many cases. It is currently around £8,000-£10,000 per home.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

100. The Planning Act 2008 (PA 2008) introduced a discretionary planning charge known as the Community Infrastructure Levy (CIL). The statutory framework for CIL is set out in sections 205-225 of the PA 2008 and further detail is provided under a number of regulations, in particular, the CIL Regulations 2010 (as amended).
101. CIL is a charge paid by owners and developers on new buildings over a certain size. The charge is designed to help fund local infrastructure as identified in a local planning authority's development plan and can only be spent on 'infrastructure'. Infrastructure is defined in the PA 2008 (section 216) as including a wide range of facilities such as roads/transport facilities, open space and schools.
102. CIL is payable to a 'charging authority' which in London means each London Borough Council. If the Council intends to apply the levy, it must prepare a charging schedule that sets out the CIL rates in its area (section 211(1) of the PA 2008). The charging schedule becomes part of the Local Development Framework (the planning documents taken into account in making planning decisions). The charging schedule sets out the rates for CIL in the Council's area and the rate must be expressed as pounds per square metre of development (regulation 12(2) (b) of the CIL Regulations 2010). The charge is levied on the net internal area of development (regulation 40(5) of the CIL Regulations 2010). By virtue of regulation 13 of the CIL Regulations 2010, charging authorities are able to charge different rates based on either a geographical basis or with reference to the intended use of the development. The Council must however consider the overall viability of development within its area.
103. Section 211 of the PA 2008 provides that the Council, in setting its rates or other criteria, must have regard to:
- a) the actual and expected costs of infrastructure;
  - b) the economic viability of development (which may include, in particular, actual or potential economic effects of planning permission or of the imposition of CIL); and
  - c) other actual and expected sources of funding for infrastructure.
104. The legislation therefore seeks to ensure that charging schedules balance the desirability of funding infrastructure against the potential effects of the charge on the economic viability of development in the authority's area (regulation 14 of the CIL



Regulations 2010). The regulations also set out other costs to be factored in, such as administrative expenses and Mayoral CIL.

105. The schedule must be informed by 'appropriate available evidence' regarding viability (section 211(7A) of the PA 2008).
106. There is no legislation on how long a charging schedule should apply once adopted; nor is there any duty in the PA 2008 or the CIL Regulations 2010 for the schedule to be reviewed. However, guidance strongly encourages charging authorities to keep their charging schedule and Regulation 123 Lists under review. Should the charging schedule be reviewed, the charging authority must follow the same process of consultation, examination and approval as for the initial schedule.
107. In view of the need to keep development viable and the infrastructure list up to date, it is advisable for the Council to monitor and review the charging schedule at appropriate intervals.
108. The National Planning Policy Framework 2012 states that SPDs add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites or on particular issues and are capable of being a material consideration in planning decisions but are not part of the development plan.

#### **The relationship between CIL and Section 106 Agreements**

109. Regulation 122 and 123 impose limitations on the use of planning obligations, such that *"a planning obligation may not constitute a reason for granting planning permission for the development to the extent that the obligation provides for the funding or provision of relevant infrastructure"*. Effectively, where a charging authority has published a list of infrastructure projects that it intends to fund through CIL, such projects cannot be funded by planning obligations. The language of the regulation implies the production of a Regulation 123 List is a matter for the charging authority's discretion. However, guidance suggests that a charging authority should submit a Regulation 123 List along with its draft charging schedule. Accordingly, it is noted that as well as preparing an up to date Infrastructure Plan that identifies a non-exhaustive list of infrastructure intended to be funded by CIL, the Council has also prepared a Regulation 123 List for adoption with its draft charging schedule.
110. Notwithstanding the list, Section 106 Agreements may still be used to secure site specific mitigation and affordable housing. The SPD sets out the relationship between the two.

#### **Consultation**

111. In compliance with the SCI, the Council consulted on the Preliminary Draft Charging Schedule for a period of 14 weeks, which included 6 weeks of formal consultation between 5 September and 17 October 2012. A second round of consultation was then held on the Draft CIL Schedule for a period of 8 weeks including a formal period of consultation of 6 weeks between 20 February and 3 April 2013. The Council then consulted on a Revised Draft Charging Schedule (RDCS) for a period of 12 weeks, including a 6 week period of formal consultation between 14 January 2014 and 25 February 2014. Finally, during the examination stage the Council consulted for a period of 4 weeks between 11 December 2014 and 13 January 2015 on further evidence and proposed modifications to the RDCS. The Examiner recommended that

the draft charging schedule be approved on 2 March 2015.

112. The Council has had regard to the general duty, introduced by Section 110 of the Localism Act 2011, to cooperate with other prescribed bodies in respect of strategic planning matters which may impact upon sustainable development. Although it may be argued that this duty does not strictly apply to the process of preparing charging schedules, the Council has taken a purposive approach and has cooperated with a range of organisations.

### **Consultation on SPD**

113. The Town and Country Planning (Local Planning) England Regulations 2012 states at paragraph 12 that a local planning authority must undertake a process of public participation before it can adopt a SPD. Part of that process involves consulting with relevant persons, setting out the main issues raised by those persons and then explaining how those issues have been addressed in the SPD.
114. SPDs are not subject to independent examination in the same way that other planning documents are however as stated above there is still a process of consultation that must be undertaken in respect of such documents. Section 19(3) of the Planning and Compulsory Purchase Act 2004 specifically requires local planning authorities to comply with their adopted Statement of Community Involvement. In so far as the SCI exceeds the consultation requirements of the 2012 Regulations the SCI must be complied with. The Council's SCI provides for a period of 6 weeks informal and then 6 weeks formal consultation.
115. In conjunction with the RDCS, the Council consulted on the draft SPD for a period of 12 weeks, including a 6 week period of formal consultation between 14 January 2014 and 25 February 2014. As in the case of CIL, the document was advertised in the press and available on the web and in local libraries. The Council notified around 3,000 consultees and the document was publicised through community councils. Officers were also available to attend meetings of community groups and other organisations where requested.

### **Equality Impact Assessment**

116. The Equality Act 2010 introduced a single public sector equality duty. This duty requires the Council to have due regard in its decision making processes to the need to:
- a) eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and those who do not; and
  - c) foster good relations between those who share a relevant characteristic and those that do not share it.
117. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

118. The Council has consulted a broad range of groups and has made every effort to be inclusive. The Council has also prepared a detailed Equalities Assessment in relation to both the charging schedule and the SPD.
119. CIL and the SPD has the potential to impact unequally on persons having one or more protected characteristic. The Council will need to monitor the impact of CIL and the SPD.

### Human Rights Considerations

120. CIL and the SPD potentially engage certain human rights under the Human Rights Act 1998 ('the HRA'). The HRA prohibits unlawful interference by public bodies with convention rights. The term 'engage' simply means that human rights may be affected or relevant. In the case of CIL and the SPD, a number of rights are potentially engaged:-
- **The right to a fair trial (Article 6)** – giving rise to the need to ensure proper consultation and effective engagement of the public in the process;
  - **The right to respect for private and family life (Article 8)** – for instance the setting of CIL tariffs could impact on viability of housing provision or re-provision. Other considerations may include impacts on amenities or the quality of life of individuals based on CIL being too prohibitive;
  - **Article 1, Protocol 1 (Protection of Property)** – this right prohibits interference with individuals' right to peaceful enjoyment of existing and future property/homes. It could be engaged, for instance, if CIL makes future development unviable; and
  - **Part II Protocol 1 Article 2 (Right to Education)** – this is an absolute right enshrining the rights of parents' to ensure that their children are not denied suitable education. This will be a relevant consideration in terms of ensuring sufficient educational infrastructure is funded by CIL.
121. It is important to note that few rights are absolute in the sense that they cannot be interfered with under any circumstances. 'Qualified' rights, including Article 6, Article 8 and Protocol 1, can be interfered with or limited in certain circumstances. The extent of legitimate interference is subject to the principle of proportionality whereby a balance must be struck between the legitimate aims to be achieved by a local planning authority in the policy making process against the potential interference with individual human rights.
122. Before making their decision members are advised to have regard to human rights considerations and strive to strike a fair balance between the legitimate aims of setting CIL and the SPD for the benefit of the community against the potential interference with individual rights.

### Decision-making

#### Cabinet Recommendation (recommendation 1 to 4)

123. As noted earlier, CIL is to be a part of the Local Development Framework and can be considered analogous to other LDF documents such as Development Plan Documents. Under Part 3(C) of the Council's Constitution, the Cabinet collectively has responsibility for the Council's policy framework (function 3), its finances (function 7)

and approval of preferred options (effectively advanced drafts of) development plan documents (function 20). In any event, Cabinet has power under Article 6 of the Constitution to carry out all of the local authority's functions which are not the responsibility of any other part of the Council.

124. The legislation on CIL does not prescribe decision making in respect of a charging schedule. The only relevant requirement is that the charging schedule, once approved by the Examiner, should be approved by a resolution of the full council of the charging authority (Section 213(2) of the Planning Act 2008). Once the Cabinet has recommended approval, the matter will be referred to Council Assembly for final approval.

#### **Cabinet Approval (recommendation 5 to 8)**

125. Part 3C of the Constitution enables the Cabinet to adopt supplementary planning documents.

#### **Strategic Director of Finance and Corporate Services (FC14/055)**

126. This report is requesting cabinet to agree and recommend to Council Assembly the Community Infrastructure Levy and Section 106 Planning Obligations and Community Infrastructure Levy Supplementary Planning Document, following the Examiner's Report on Southwark's Community Infrastructure Levy (CIL) and the various consultation exercises detailed in the report. Full details of the proposals are contained within the main body of the report.
127. The strategic director of finance and corporate services notes that the council expects to receive the same amount of income under the new proposals. However, it is noted that, as the purpose of CIL is to support growth rather than mitigate impacts of specific developments, it can be used more strategically than section 106 contributions.
128. It is also noted that the availability of income under the new proposals in funding the council's infrastructure projects will be closely monitored on a regular basis.
129. Staffing and any other costs connected with this recommendation to be contained within existing departmental revenue budgets.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
London Plan 2011	Southwark Council 160 Tooley Street London SE1 2QH	Sandra Warren 020 7525 5411
<b>Link:</b> <a href="http://www.london.gov.uk/priorities/planning/londonplan">http://www.london.gov.uk/priorities/planning/londonplan</a>		
Southwark Statement of Community Involvement 2008	Southwark Council 160 Tooley Street London SE1 2QH	Sandra Warren 020 7525 5411
<b>Link:</b> <a href="http://www.southwark.gov.uk/info/856/planning_policy/1238/statement_of_community_involvement_sci">http://www.southwark.gov.uk/info/856/planning_policy/1238/statement_of_community_involvement_sci</a>		
Saved Southwark Plan 2007	Southwark Council 160 Tooley Street London SE1 2QH	Sandra Warren 020 7525 5411
<b>Link:</b> <a href="http://www.southwark.gov.uk/info/856/planning_policy/1241/the_southwark_plan">http://www.southwark.gov.uk/info/856/planning_policy/1241/the_southwark_plan</a>		
The Core Strategy 2011	Southwark Council 160 Tooley Street London SE1 2QH	Sandra Warren 020 7525 5411
<b>Link:</b> <a href="http://www.southwark.gov.uk/info/200210/core_strategy">http://www.southwark.gov.uk/info/200210/core_strategy</a>		

**APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix A	Examiner's Report on the Southwark CIL Revised Draft Charging Schedule (RDCS) (circulated separately)
Appendix B	Southwark Community Infrastructure Charging Schedule (circulated separately)
Appendix C	Regulation 123 List (circulated separately)
Appendix D	Southwark CIL Infrastructure Plan (available on the website)
Appendix E	Southwark CIL Updated equalities Analysis (available on the website)
Appendix F	Southwark CIL Consultation Report (available on the website)
Appendix G	Section 106 Planning Obligations and Community Infrastructure Levy (CIL) Supplementary Planning Document (SPD) (circulated separately)
Appendix H	SPD Consultation Report (available on the website)
Appendix I	SPD Updated Equalities Analysis (available on the website)
Appendix J	SPD Table of Modifications (available on the website)
Appendix K	SPD Draft Adoption Statement (available on the website)
Appendix L	SPD Habitats Regulations Assessment (available on the website)
Appendix M	SPD Sustainability Appraisal Screening Assessment and Statement of Reasons (available on the website)

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Mark Williams, Regeneration, Planning and Transport	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Tim Cutts, Planning Policy	
<b>Version</b>	Final	
<b>Dated</b>	6 March 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		6 March 2015

<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 17 March 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Determination of Primary School Expansions – Permanent enlargement of Cherry Garden School, and Phoenix, Bellenden, Ivydale, Robert Browning, and Keyworth Primary Schools	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Victoria Mills, Children’s Services	

### **FOREWORD – COUNCILLOR VICTORIA MILLS, CABINET MEMBER FOR CHILDREN’S SERVICES**

Considerable progress has been made over recent years both in keeping pace with increased demand for primary and secondary school places and in driving up standards of educational achievement. Demand for primary places, particularly in the north of the borough, continues to rise. This report brings forward plans for further additional primary places from 2016 as previously planned in a number of primary places strategies seen by cabinet over the last two years. The ongoing work of making additional places available as demand rises sits alongside a firm commitment to ensuring rapidly improving levels of achievement in English and Mathematics continues. Key Stage 2 Level 4 performance shows an achievement of 81%, compared to the national average of 79%, and an increase from 77% in the previous year. 82% of Southwark primary schools have been judged good or outstanding by OFSTED.

None of this would have been possible without sustained investment in school places and the schools estate. The £106.5m primary expansion programme is delivering new and expanded schools with high quality facilities providing a total of 2,631 additional primary places across the borough by September 2016, as forecast demand for school places continues to rise. The pace and scale of the increase in demand for school places requires a continuing investment programme, one that maximises efficiency and effectiveness of the borough’s existing schools estate, builds on the success and popularity of local high performing schools, and seeks to engage external funding sources and school providers to ensure the best opportunities for the borough’s school children.

### **RECOMMENDATIONS**

1. That the cabinet notes the outcome of the consultation on the proposed enlargements of Cherry Garden School, and Phoenix, Bellenden, Ivydale, Robert Browning, and Keyworth Primary Schools.
2. That the cabinet agrees to the enlargement of Phoenix, Bellenden, Ivydale, Robert Browning, and Keyworth Primary Schools, from the 1st September 2016 onwards, and to the enlargement and relocation of Cherry Garden School relocation, on a new site in September 2017 onwards.

### **BACKGROUND INFORMATION**

3. The Primary Investment Strategy was agreed by cabinet in July 2013 and this was updated by the cabinet member for children’s services in January 2014. In

July 2013, members noted notes the forecast demand for primary places and associated need for the creation of additional capacity within Southwark's primary estate.

4. As part of the Primary Investment Strategy and expansions to meet anticipated need, the permanent enlargements of Albion, Bessemer Grange, Charles Dickens, Crawford, Grange and Keyworth Primary schools were agreed by cabinet on 18 March 2014, providing an additional 4.5 forms of entry ("FE") at reception. At the same meeting, Members agreed that cabinet would be updated in July 2014 with new pupil place planning data, any proposals arising and the outcome of discussions with funding bodies in regard to the approach to delivery and the availability of funding.
5. Cabinet then agreed on 22 July 2014 the School Places Strategy Update. Item 64 stated "*A similar statutory process to underpin the expansion of Robert Browning, Redriff, Cherry Garden, Gloucester, Ivydale and Bellenden primary schools will be undertaken and reported to a future cabinet meeting for approval. Subject to cabinet's approval of the recommendations in this report, Phoenix Primary School and updated details for Keyworth Primary School will also be included in this round of consultation*". Gloucester Primary School applied to become an academy, and was dropped from the strategy.
6. The primary school enlargements form part of the current target of an additional 1,755 primary places by September 2016. The proposed expansion of Cherry Garden is to provide additional SEN capacity in an area of increasing demand.
7. To clarify, the proposed expansions at the schools in question will be as follows, adding 210 (7FE) permanent reception places in primary schools in Southwark from 1 September 2016.

<b>Primary School</b>	<b>Present Admissions Number (FE)</b>	<b>Published Admissions Number (FE)</b>	<b>Planned Admissions Number 2016 (FE)</b>
Phoenix	60 (2FE)		120 (4FE)
Bellenden	30 (1FE)		60 (2FE)
Ivydale	60 (2FE)		120 (4FE)
Robert Browning	45 (1.5FE)		60 (2FE)
Keyworth	45 (1.5FE)		90 (3FE)
<b>Total</b>	<b>240 (8FE)</b>		<b>450 (15FE)</b>

(Source: 2015/16 Admissions brochure)

8. Additionally, Cherry Garden will increase the number of pupils from 66 to 72 pupils, and will also relocate from their present site to a larger site in Peckham.

#### **KEY ISSUES FOR CONSIDERATION**

9. As required by legislation governing Local Authority proposals to enlarge community schools, a statutory notice was displayed at the front and back entrances and main access points at Cherry Garden School, as well as Phoenix, Bellenden, Ivydale, Robert Browning, and Keyworth Primary Schools; the notices were also placed in the newspaper, published on the council's website, and the Diocesan authorities and neighbouring boroughs were written to. Two objections to the expansions were received, both concerning the expansion of Keyworth Primary School.
10. There followed a period of four weeks from 19 January 2015 to 16 February 2015 during which anyone could object to or comment on the proposal. Two



objections to the proposed expansion of Keyworth Primary School were received during the formal consultation stage, but none for the other five proposals.

11. Before making a decision on the proposals, the DfE guidance – “School Organisation Maintained Schools Annex B: Guidance for Decision-makers” advises that decision makers should consider four key, procedural issues:
- **Is all the information required available to make a decision on these proposals?** All the information as specified in the relevant Secretary of State’s guidance is contained in this report.
  - **Do the published notices comply with statutory requirements?** The statutory notices complied with the relevant regulations.
  - **Has the consultation been carried out prior to the publication of the notice?** The statutory consultation was carried out in accordance with the relevant guidance.
  - **Are the proposals related to other published proposals?** There are no “related” proposals.
12. Under the regulations governing school alteration proposals, decision-makers have the option to approve proposals, approve proposals with modifications, or to reject proposals. Approval can be conditional on certain factors, including the grant of planning permission. If conditional approval is considered, the decision-maker must set a date by which the condition should be met; however, this date can be modified before that date expires. The decision-maker must have regard to statutory guidance issued by the Secretary of State. The relevant DfE statutory guidance provides a non-exhaustive list of factors that decision makers must have regard to. The following factors are of particular relevance to these proposals:
- **Effect on standards and school improvement.** All the schools will be supported to ensure that there is no impact on standards as a result of the provision of additional places by the enlargement of these schools.
  - **Demand for places.** The Primary Investment Strategy was agreed by cabinet in July 2013 and updated by the cabinet member for children’s services in January 2014 and again in March and July 2014. Projections, which take into account the increase in school rolls, the forecast additional population as a result of increased births, migration and the new population as a result of additional housing, forecast a continuing increase in demand for reception places. These permanent enlargements are proposed in the light of the forecast shortfall in reception places, which is shown on Table 1 below

*Table 1: Shortfall in forms of entry (FE) of reception places by primary planning area with expansions included*

<b>Planning Area</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Planning Area 1 (Borough & Bankside & Walworth)	1	0	-1
Planning Area 2 (Bermondsey & Rotherhithe)	1	0	3
Planning Area 3 (Peckham & Nunhead)	0	3	2
Planning Area 4 (Camberwell)	0	4	4
Planning Area 5 (Dulwich)	3	4	5

(Source, cabinet report, 22 July 2014)

- **School size.** The guidance states “Decision-makers should not make blanket assumptions that *schools should be of a certain size to be good schools, although the viability and cost-effectiveness of a proposal is an important factor for consideration. The decision-maker should also consider the impact on the LA’s budget of the need to provide additional funding to a small school to compensate for its size.*” It is the authority’s opinion that increasing the sizes of the schools concerned will provide a greater amount of value for money for the authority, particularly with regard to schools with partial forms of entry (i.e. Robert Browning, proposed to increase 45 to 60)
- **Proposed admission arrangements.** The guidance states “*In assessing demand the decision-maker needs to consider all expected admission applications, not only those from the area of the LA in which the school is situated. Before approving a proposal that is likely to affect admissions to the school the decision-maker should confirm that the admission arrangements of the schools are compliant with the School Admissions Code*”. The present admissions arrangements for the schools in question are compliant with the Code. It should be noted that the need for pupil places has consistently outstripped supply in this area, and that officers consider that there will continue to be high demand for places at the school. Officers are currently consulting on admissions for Ivydale School for changes to the admissions point for future implementation. These proposals are compliant with the Code.
- **Community cohesion.** The primary school expansion recommendations will have a positive impact on communities with increased provision of primary places in areas where they are needed enhancing community cohesion. The primary schools' admission criteria will remain the same as at present, based on medical need, looked after children, siblings and distance from specified point(s) and therefore it is considered that there will be no detrimental effect on community cohesion.
- **Travel arrangements and accessibility.** Given that most of the primary enlargements are on the same site as the existing school, or on adjacent sites, the likelihood of any major impact on local travel patterns as a result of the enlargements will be small. We recognise that the increase in reception numbers could potentially increase the number of car journeys, but this will be offset by School Travel Plans which will seek to address these issues. In the case of Cherry Garden School, the school moving from one site to another is unlikely to disrupt travelling arrangements, as the children attending this school come from a wide variety of locations and many are transported to the school. The old Highshore building on Bellenden Road is more centrally located for the school’s wide catchment area. It should also be noted that all expansions to schools will be built to current disability access standards.
- **Diversity and equal opportunities.** The impact on communities of the issues and recommendations within this report has been considered in line with the council’s Approach to Equality, and are outlined in the Community Impact Assessment in paragraphs 21 to 28. The recommendations will have a positive impact on all communities with increased provision of primary places in areas where they are needed enhancing community cohesion.

- **Views of interested parties.** Consultation was carried out by Regeneration with individual schools, involving meetings with parents/carers, staff and governors, including a drop-in parents' meeting at all of the schools. Southwark councillors and Southwark, Lambeth and Lewisham MPs, the Southwark Diocesan Board and Commission, and neighbouring authorities. Two objections were received from members of the public concerning the Keyworth expansion
- **Capital funding and land.** The guidance states "*The decision-maker should be satisfied that any land, premises or capital required to implement the proposal will be available and that all relevant local parties (e.g. trustees or religious authority) have given their agreement. A proposal cannot be approved conditionally upon funding being made available. Where proposers are relying on the department as the source of capital funding, there can be no assumption that the approval of a proposal will trigger the release of capital funds from the department, unless the department has previously confirmed in writing that such resources will be available; nor can any allocation "in principle" be increased*". The enlargements will all take place on existing school sites. Funding is considered in the financial paragraphs below, but it should be noted that appropriate land, premises and the capital required to implement the proposal have been identified, are available and that all relevant local parties (e.g. trustees) have already given their agreement
- **School premises and playing fields.** Under the School Premises (England) Regulations 2012 all schools are required to provide suitable outdoor space in order to enable physical education to be provided to pupils in accordance with the school curriculum; and for pupils to play outside safely. Guidelines setting out suggested areas for pitches and games courts are in place although these are non-statutory. Officers consider there will be suitable space on both the existing and, where appropriate, new sites for outside play and learning that will be in accordance with current guidance and regulations.
- **Special Educational Needs (SEN) provision.** There are no anticipated issues for SEN provision as a result of the five mainstream primary expansions – the expansion and relocation of Cherry Garden, however, is likely to benefit a larger number of children with special educational needs, as the number of children within the school's specialism has increased commensurately with the population of Southwark. Additionally, the old Highshore building on Bellenden Road is a much larger site and more centrally located for the school's wide catchment area.

## Consultation

13. A total of seven people requested the full proposal documents as a result of the notices placed at the schools, of which one emailed to say they supported the Cherry Garden proposal. Two objections to the expansion of Keyworth Primary were received within the time frame outlined by any of the enquirers, but no other objections were received in this time. These objections are shown at Appendix 2.
14. The objections covered a range of issues – some planning related – as follows:
  - the "*proposed increase is too large and will not enhance primary education*"
  - the proposal to double that size to 3 FE would make it an extremely large primary school, and "*would become an increasingly anonymous institution*"

*for children where it would be difficult for each individual to be known and nurtured”*

- more space could be given to the school so that it could expand without losing its current green areas and without reducing the average amount of space per pupil.
- The proposed building *“is only 12m from residential properties and thus there will be overlooking into classrooms from bedrooms and vice-versa”*.
- The proposal *“massively impacts on light to peoples properties at the far end of Sharsted Street”*
- The increase in pupils will lead to increased traffic and footfall which will endanger pupils entering and leaving via Faunce Street, and the proposed entrance for the school is wholly unsustainable and will cause traffic chaos and disruption to residents of Sharsted Street
- Noise and odour from poor locating of kitchen and plant facilities
- The proposed plans give rise to many problems in the local community and would impact negatively on the children. There are currently no measures proposed which would adequately mitigate these issues
- The council has not considered Councillor Neil Coyle's advice to consider using the Kennington Enterprise site to expand the school, an avenue which would allow a sustainable development to take place.

15. No objections to the other expansions were received from the Diocesan authorities and neighbouring boroughs or other individuals consulted on the proposals.

### Response to consultation

16. Officers have considered the points made by the two objectors to the Keyworth expansion and make the following comments.

Issue	Southwark officer comment
Proposed increase is too large and will not enhance primary education	The proposed increase is in line with demand for school places locally, the popularity of the school, and in line with expansions elsewhere in the borough. The school was rated “Good” in every category by Ofsted in July 2014, and the extension and refurbishment of the school will provide excellent teaching facilities that will enhance children’s learning experience.
Proposed increase is too large and will not enhance primary education <i>(continued)</i>	The Ofsted report notes <i>“This is a smaller than average-sized primary school”</i> .
The proposal to double that size to 3 FE would make it an extremely large primary school, and <i>“would become an increasingly anonymous institution for children where it would be difficult for each individual to be known and nurtured”</i>	The school has – since September 2012 - admitted above its Published Admissions Number of 45 and admitted 60 pupils, and next year – for 2016 entry - the council projects the school will have a capacity of 420 (70% of the proposed expanded capacity). There are many thriving 3FE schools where teacher/pupil/parent relationships are excellent, and there

Issue	Southwark officer comment
	is no evidence that there will be a loss of individual attention for learners. It should be noted that there are already 7 schools in the borough with more than 60 pupils in reception, with no comparable objections being raised
More space could be given to the school so that it could expand without losing its current green areas and without reducing the average amount of space per pupil.	A range of options were considered at the time of the design for the school expansion, and the amount of green space the school will retain will be greater than average for schools of this size and in this location.
The proposed building is only 12 metres from residential properties and thus there will be overlooking into classrooms from bedrooms and vice-versa. It also massively impacts on light to people's properties at the far end of Sharsted Street.	These are both planning issues, consideration of which lies with the Planning Committee and not cabinet.
The increase in pupils will lead to increased traffic and footfall which will endanger pupils entering and leaving via Faunce Street. The increase in pupils will place too high a burden on local residents. The application for a new school building and entrance for the school is wholly unsustainable and will cause traffic chaos and disruption to residents of Sharsted Street as well as noise and odour from poor locating of kitchen and plant facilities	See paragraph 9 "Travel arrangements and accessibility", above.  Issues such as traffic access, noise and ventilation are best dealt with under the planning process, consideration of which lies with the Planning Committee and not cabinet.
The proposed plans give rise to many problems in the local community and would impact negatively on the children.  There are currently no measures proposed which would adequately mitigate these issues	There is no evidence for such a broad statement or of a cumulative negative impact. The Community Impact Statement described at paragraphs 21-28 found no evidence that the development or expansion would have a negative impact on any area of the community
The council has not considered Councillor Neil Coyle's advice to consider using the Kennington Enterprise site to expand the school, an avenue which would allow a sustainable development to take place.	All suggestions at the time of planning were assessed and considered in the light of available land, project phasing and delivery of the curriculum. The one adopted offered the best combination of all three.

### Policy implications

17. The primary planning and investment strategies are fully aligned to local planning and policy frameworks, including the Council Plan and Children and Young People's Plan. These outline the council's commitment to supporting schools to be outstanding, with children and young people able to achieve their full potential, and parents able to exercise real choice in a high-performing schools system.
18. When formulating the Primary Expansion programme, the council considered the

suitability of ALL primaries in Southwark and the risks and advantages of expanding each.

19. The risks of not expanding the schools concerned are considerable. The council has a limited scope to expand existing provision, and not expanding the schools could potentially leave the council vulnerable to legal action for not meeting its target duty to provide sufficient primary school places. Section 14 of the Education Act 1996 places a duty on local authorities to secure that there are sufficient primary and secondary school places in their area. Local authorities must ensure there are enough school places to meet needs as well as working to secure diversity of provision and increasing opportunities for parental choice. Local authorities are also bound by the duty to take into account parental preference in so far as to do so avoids unreasonable public expenditure.
20. The advantages to the council of the proposed changes are that the proposed schools have the physical capacity for expansion; governors have agreed the proposed expansions; and the council has the budget to undertake them. All the proposed expansions are in schools that are rate "Good" or "Outstanding" by OFSTED. The potential legal or financial consequences of taking the recommended course of action are outlined in paragraphs 33-41.

### **Community impact statement**

21. The Public Sector Equality Duty, at section 149 of the Equality Act, requires public bodies to consider all individuals when carrying out their day to day work – in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard when carrying out their activities to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between people with protected characteristics and those with none. The council's Approach to Equality ("the approach") commits the council to ensuring that equality is an integral part of our day to day business.
22. "Protected characteristics" are the grounds upon which discrimination is unlawful - the characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, gender and sexual orientation. In this case, the characteristics covering gender reassignment, marriage and civil partnership, pregnancy and maternity, and sexual orientation are unlikely to be issues we need to consider in the expansion of the schools in question.
23. In terms of age, it is felt that children from 4-11 (and later in respect of Cherry Garden School) will materially benefit from the expansion of the schools concerned, and the expansions will not disadvantage them.
24. In terms of disability, the proposed expansions will benefit children with disabilities, as they are proposed to be built following best practice in terms of disability access, thereby enabling disabled pupils to access the full curriculum, and ensuring that disabled staff and children materially benefit from the expansion of the schools concerned - there is no evidence that the proposed expansions will disadvantage these groups.
25. In terms of gender, religion or belief – all the schools are co-educational and contain an approximate 50:50 gender split, so their expansion would not advantage or disadvantage one or other gender; none of the schools are denominational and admit children of all faiths and none. Expansion of the schools concerned will equally benefit children whatever their religion or belief,

and will not disadvantage children with or without a religious belief.

26. In terms of race, most of the schools concerned are as multi-ethnic and diverse as the rest of the borough. Therefore, expansion would likely benefit children of all ethnicities and backgrounds, and will not disadvantage any one particular ethnic group or background.
27. Overall, the proposals are consistent with promoting the safeguarding and well being of all local children and young people by providing sufficient high quality primary school and special school places in good or outstanding schools to meet forecast need. Increasing pupil numbers will foster good relations, as it provides for the expansion of existing provision that meets the needs of our diverse communities.
28. The enlargements of schools would provide more choice for parents, and therefore, an equality analysis demonstrates that the policy shows no potential for discrimination and that the council has taken all opportunities to advance equality of opportunity.

### **Resource implications**

29. The July 2014 cabinet report identified an overall available budget for the programme of £70.5m. The revised funding of £106.4m, (including proposed variations and transfers of £35.9m) at Quarter 3 2014-15 is sufficient to fund all these proposed enlargements.
30. The July 2014 cabinet report delegated the authority to the Strategic Director of Children's and Adults' Services to allocate the budgets for individual school expansion programmes from within the existing available resources.
31. The expected budgets for the first wave of schools in this report can be met from existing identified resources. The allocation of the budget will be made at the gateway 2 award of the contract for the construction of the school expansions.
32. Schools will be responsible for the ongoing revenue implications arising from the expansion. The Dedicated Schools Grant will fund the schools for the additional expansion class pupils via the revenue "growth fund" in the first financial year of expansion (agreed by the Schools Forum); and thereafter via the schools funding formula.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Legal Services**

33. Section 14 Education Act 1996 places a duty on local authorities to ensure that there are sufficient primary and secondary schools in their area. Local authorities must ensure there are enough school places to meet needs as well as working to secure diversity of provision. Local authorities are also bound by the duty to take into account parental preference in so far as to do so avoids unreasonable public expenditure.
34. The Education Act 2011 removed the legal power for local authorities to establish community schools to address the issue of increased demand for primary places. Local authorities may look to existing provision to expand or to free schools and academies to meet demand.

35. The legal requirements on local authorities in relation to school organisation are contained in the Education and Inspections Act 2006. The Act requires that local authorities must publish proposals where it proposes to make a “prescribed alteration” and the alteration is one that a local authority is capable of making. “Prescribed alterations” are set out in the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 (“the Regulations”). The Secretary of State has also issued guidance to which a local authority must have regard when exercising its school organisation functions set out in the Regulations: see *School Organisation – Maintained Schools: Guidance for proposers and decision makers*, and Annex B, *Guidance for decision-makers* (January 2014). The matters to which decision-makers must have regard are set out in the body of the report.
36. The final decisions on the school organisation proposals described in the report are for the local authority to take, and such decisions are reserved to cabinet under the council's Constitution.
37. Cabinet is reminded of the duty to have due regard to the public sector equality duty under section 149 Equality Act 2010 when making its decision. An equality analysis of the proposals is described in the “Community Impact Statement” section of the report.

#### **Strategic Director of Finance and Corporate Services (FC14/050)**

38. This report is requesting cabinet to agree to the enlargement of Phoenix, Bellenden, Ivydale, Robert Browning, and Keyworth Primary Schools, from 1st September 2016 onwards, and to the enlargement and relocation of Cherry Garden School relocation, on a new site in September 2017 onwards, following various consultations. Details of the consultations and the proposed enlargements of the schools are contained within the report and appendices.
39. On 10 February 2015, as part of the 2014/15 quarter 3 capital monitoring report, cabinet agreed a budget variation of £44.4m to the Children’s and Adults’ Services capital programme which consisted of £15.8m of council resources to fund the expected shortfall on the council’s overall primary expansion programme. The total value of the primary expansion programme incorporating the expansions currently planned for additional school places is currently budgeted at £106.5m.
40. The strategic director of finance and corporate services notes that the proposed expansions reflected in this report can be contained within the departmental capital budgets allocated within the councils capital programme. It is also noted that the on-going revenue costs resulting from the expansion programme will be funded from the schools budget.
41. Staffing and any other costs connected with this recommendation to be contained within existing departmental revenue budgets.

#### **Conclusion**

42. In the light of this appraisal, it is recommended that the cabinet agree the recommendations at paragraph 2 of the report.
43. The legislation requires the council to make a decision on the proposals within two months of the end of the representation period (i.e. in this case by 16 April 2015) or if not then the council must forward the proposals to the Schools’ Adjudicator for decision.



## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Primary Investment Strategy – Report to Cabinet July 2013	Council Offices, 160 Tooley Street, London, SE1 2QH	Merril Haeusler, 020 7525 3755
<b>Link</b> <a href="http://moderngov.southwark.gov.uk/documents/s39446/Report%20Primary%20Investment%20Strategy.pdf">http://moderngov.southwark.gov.uk/documents/s39446/Report%20Primary%20Investment%20Strategy.pdf</a>		
Primary Investment Strategy Update – report to Cabinet member for Children’s Services - January 2014	Council Offices, 160 Tooley Street, London, SE1 2QH	Merril Haeusler, 020 7525 3755
<b>Link</b> <a href="http://moderngov.southwark.gov.uk/documents/s43491/Report.pdf">http://moderngov.southwark.gov.uk/documents/s43491/Report.pdf</a>		
School Places Strategy Update – report to Cabinet member for Children’s Services - March 2014	Council Offices, 160 Tooley Street, London, SE1 2QH	Merril Haeusler, 020 7525 3755
<b>Link</b> <a href="http://moderngov.southwarksites.com/documents/s45063/Report%20School%20Places%20Strategy%20Update.pdf">http://moderngov.southwarksites.com/documents/s45063/Report%20School%20Places%20Strategy%20Update.pdf</a>		
Permanent enlargement of Albion, Bessemer Grange, Charles Dickens, Crawford, Grange and Keyworth primary schools – considering the initial consultation and agreeing the publication of statutory notices - March 2014	Council Offices, 160 Tooley Street, London, SE1 2QH	Andy Brown 020 7525 3755
<b>Link</b> <a href="http://moderngov.southwarksites.com/documents/s45064/Report%20Permanent%20enlargement%20of%20primary%20schools.pdf">http://moderngov.southwarksites.com/documents/s45064/Report%20Permanent%20enlargement%20of%20primary%20schools.pdf</a>		
School Places Strategy Update– report to Cabinet member for Children’s Services - July 2014	Council Offices, 160 Tooley Street, London, SE1 2QH	Andy Brown 020 7525 3755
<b>Link</b> <a href="http://moderngov.southwarksites.com/documents/s47494/Report%20School%20Places%20Strategy%20Update.pdf">http://moderngov.southwarksites.com/documents/s47494/Report%20School%20Places%20Strategy%20Update.pdf</a>		
School Organisation – Statutory Guidance for proposers and decision-makers - January 2014 – DfE	Council Offices, 160 Tooley Street, London, SE1 2QH	Ric Euteneuer 020 7525 5018
School Organisation - Maintained Schools Annex A: Further information for proposers - January 2014 - DfE		
School Organisation Maintained Schools Annex B: Guidance for Decision-makers - January 2014 - DfE		
<b>Link</b> <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278418/">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278418/</a>		

Background Papers	Held At	Contact
<a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278420/School_Organisation_Guidance_2014.pdf">School Organisation Guidance 2014.pdf</a> <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278422/School_Organisation_Guidance_2014_-_Annex_A.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278420/School Organisation Guidance 2014 - Annex A.pdf</a> <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278422/School_Organisation_Guidance_2014_-_Annex_B.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278422/School Organisation Guidance 2014 - Annex B.pdf</a>		
The Essential Guide to the Public Sector Equality Duty 3rd edition April 2011, updated: January 2015	Council Offices, 160 Tooley Street, London, SE1 2QH	Ric Euteneuer 020 7525 5018
<b>Link</b> <a href="http://www.equalityhumanrights.com/sites/default/files/publication_pdf/PSED%20Essential%20Guide%20-%20Guidance%20for%20English%20Public%20Bodies.pdf">http://www.equalityhumanrights.com/sites/default/files/publication_pdf/PSED%20Essential%20Guide%20-%20Guidance%20for%20English%20Public%20Bodies.pdf</a>		
School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013	Council Offices, 160 Tooley Street, London, SE1 2QH	Ric Euteneuer 020 7525 5018
<b>Link</b> <a href="http://www.legislation.gov.uk/uksi/2013/3110/pdfs/uksi_20133110_en.pdf">http://www.legislation.gov.uk/uksi/2013/3110/pdfs/uksi_20133110_en.pdf</a>		

## APPENDICES

No.	Title
Appendix 1	Notices for permanent enlargement of Cherry Garden School and Phoenix, Bellenden, Ivydale, Robert Browning, and Keyworth Primary Schools
Appendix 2	Two email objections against Keyworth Primary dated 16/2/2015

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Victoria Mills, Cabinet Member for Children's Services	
<b>Lead Officer</b>	Merril Haeusler, Director of Education, 020 7525 3755	
<b>Report Author</b>	Ric Euteneuer, School Place Planning Strategy Officer	
<b>Version</b>	Final	
<b>Dated</b>	5 March 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OFFICERS/DIRECTORATES /CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	5 March 2015	

**APPENDIX ONE: Notices for permanent enlargement of Cherry Garden School and Phoenix, Bellenden, Ivydale, Robert Browning, and Keyworth Primary Schools**



**Expansion of Cherry Garden School  
from 66 to 75 pupils and relocation of the school**

Notice is given in accordance with section 19(1) of the Education and Inspections Act 2006 that the London Borough of Southwark intends to make a prescribed alteration to Cherry Garden School, Macks Road, London SE16 3XU, from the 1st September 2017.

The Council is proposing to expand the school from 66 pupils to 75 pupils and to relocate the school from the 1st September 2017.

The Council has, after reviewing the options, decided to construct a new school building to accommodate the increased number of pupils. The new school will relocate to the former Highshore School site, which is situated on Bellenden Road, London, SE15 5BB. This is 2.3 miles distant from the existing Cherry Gardens site on Macks Road, London, SE16 3XU. Highshore School moved to a new location in Camberwell in April 2014 and the former Bellenden Road site is therefore free for development for Cherry Gardens School.

The Council will be funding this project

Cherry Garden is a school with a specialism in severe and complex learning difficulties, together with complex medical needs. As Southwark's population has grown, so the number of children requiring this specialism has increased proportionally, and so the demand for more places. The school is unable to expand on its existing site, and so has sought a site where this is possible.

Signed:

Merril Haeusler  
Director of Education

Publication date: January 19<sup>th</sup> 2015  
Closing Date: February 16<sup>th</sup> 2015

**This Notice is an extract from the complete proposal. Copies of the complete proposal can be obtained from:** Ric Euteneuer, School Place Planning Strategy Officer, Southwark Council, Children's and Adults' Services, Southwark Council, PO Box 64529, London, SE1P 5LX by telephone: 020 7525 5018, or by email: [ric.euteneuer@southwark.gov.uk](mailto:ric.euteneuer@southwark.gov.uk)

**Within four weeks from the date of publication of this proposal, any person may object to, or make comments on the proposal by sending them to** Ric Euteneuer, School Place Planning Strategy Officer, Southwark Council, Children's and Adults' Services, Southwark Council, PO Box 64529, London, SE1P 5LX or by email to: [ric.euteneuer@southwark.gov.uk](mailto:ric.euteneuer@southwark.gov.uk)



**Expansion of Keyworth Primary School  
from 2 to 3 forms of Entry (2FE to 3FE)**

Notice is given in accordance with section 19(1) of the Education and Inspections Act 2006 that the London Borough of Southwark intends to make a prescribed alteration to Keyworth Primary School, Faunce Street, London SE17 3TR, from the 1st September 2016.

The proposal is to permanently expand the physical capacity of the school. This will be done by expanding the school on the existing site. The existing school buildings at Faunce Street would be re-modelled to provide modern and flexible learning spaces for children.

The current capacity of the school is 420 pupils and the proposed capacity will be 630 pupils. The number of pupils presently registered at the school is 369 pupils. The current admissions number is 60 (2 forms of entry (2FE) and the proposed admissions number is 90 (3 forms of entry (3FE)), from the 1st September 2016 onwards. The Council needs to provide additional places to fulfil its statutory obligation to provide sufficient school places.

The Council will be funding this project

No specific special needs proposals are being brought forward.

Signed:

Merril Haeusler  
Director of Education

Publication date: January 19<sup>th</sup> 2015  
Closing Date: February 16<sup>th</sup> 2015

**This Notice is an extract from the complete proposal. Copies of the complete proposal can be obtained from:** Ric Euteneuer, School Place Planning Strategy Officer, Southwark Council, Children's and Adults' Services, Southwark Council, PO Box 64529, London, SE1P 5LX by telephone: 020 7525 5018, or by email: [ric.euteneuer@southwark.gov.uk](mailto:ric.euteneuer@southwark.gov.uk)

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**Expansion of Robert Browning Primary School  
from 1.5 to 2 forms of Entry (1.5FE to 2FE)**

Notice is given in accordance with section 19(1) of the Education and Inspections Act 2006 that London Borough of Southwark intends to make a prescribed alteration to Robert Browning Primary School, King And Queen Street, Walworth, London SE17 1DQ from the 1st September 2016.

The proposal is to permanently expand the physical capacity of the school. This will be done by expanding the school on the existing site.

The current capacity of the school is 315 pupils and the proposed capacity will be 420 pupils. The number of pupils presently registered at the school is 321 pupils. The current admissions number is 45 (1.5 forms of entry (1.5FE) and the proposed admissions number is 60 (2 forms of entry (3FE)), from the 1st September 2016 onwards. The Council needs to provide additional places to fulfil its statutory obligation to provide sufficient school places.

The Council will be funding this project

No specific special needs proposals are being brought forward.

Signed:

Merril Haeusler  
Director of Education

Publication date: January 19<sup>th</sup> 2015  
Closing Date: February 16<sup>th</sup> 2015

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**Within four weeks from the date of publication of this proposal, any person may object to or make comments on the proposal by sending them to** Ric Euteneuer, School Place Planning Strategy Officer, Southwark Council, Children's and Adults' Services, Southwark Council, PO Box 64529, London, SE1P 5LX or by email: [ric.euteneuer@southwark.gov.uk](mailto:ric.euteneuer@southwark.gov.uk)



**Expansion of Phoenix Primary School  
from 2 to 4 forms of Entry (2FE to 4FE)**

Notice is given in accordance with section 19(1) of the Education and Inspections Act 2006 that the London Borough of Southwark intends to make a prescribed alteration to Phoenix Primary School, Marlborough Grove, Bermondsey, London SE1 5JT, from the 1st September 2016.

The proposal is to permanently expand the physical capacity of the school. This will be done by expanding the school on the existing annexe site.

The current capacity of the school is 420 pupils and the proposed capacity will be 840 pupils. The number of pupils presently registered at the school is 396 pupils. The current admissions number is 60 (2 forms of entry (2FE) and the proposed admissions number is 120 (4 forms of entry (4FE)), from the 1st September 2016 onwards. The Council needs to provide additional places to fulfil its statutory obligation to provide sufficient school places.

The Council will be funding this project

No specific special needs proposals are being brought forward.

Signed:

Merril Haeusler  
Director of Education

Publication date: January 19<sup>th</sup> 2015  
Closing Date: February 16<sup>th</sup> 2015

**This Notice is an extract from the complete proposal. Copies of the complete proposal can be obtained from:** Ric Euteneuer, School Place Planning Strategy Officer, Southwark Council, Children's and Adults' Services, Southwark Council, PO Box 64529, London, SE1P 5LX by telephone: 020 7525 5018, or by email: [ric.euteneuer@southwark.gov.uk](mailto:ric.euteneuer@southwark.gov.uk)

**Within four weeks from the date of publication of this proposal, any person may object to, or make comments on the proposal by sending them to Ric Euteneuer, School Place Planning Strategy Officer, Southwark Council, Children's and Adults' Services, Southwark Council, PO Box 64529, London, SE1P 5LX or by email to: [ric.euteneuer@southwark.gov.uk](mailto:ric.euteneuer@southwark.gov.uk)**



**Expansion of Bellenden Primary School  
from 1 to 2 forms of Entry (1FE to 2FE)**

Notice is given in accordance with section 19(1) of the Education and Inspections Act 2006 that the London Borough of Southwark intends to make a prescribed alteration to Bellenden Primary School, Reedham Street, London SE15 4PF, from the 1st September 2016.

The proposal is to permanently expand the physical capacity of the school, in order to accommodate extra pupils. The application proposes a new 2FE school for Bellenden be constructed on the Wilkinson House site, Dewar Street, London, SE15 4JP

The current capacity of the school is 210 pupils and the proposed capacity will be 420 pupils. The number of pupils presently registered at the school is 226 pupils. The current admissions number is 30 (1 forms of entry (1FE)) and the proposed admissions number is 60 (2 forms of entry (2FE)), from the 1st September 2016 onwards. The Council needs to provide additional places to fulfil its statutory obligation to provide sufficient school places.

The Council will be funding this project

No specific special needs proposals are being brought forward.

Signed:

Merril Haeusler  
Director of Education

Publication date: January 19<sup>th</sup> 2015  
Closing Date: February 16<sup>th</sup> 2015

**This Notice is an extract from the complete proposal. Copies of the complete proposal can be obtained from:** Ric Euteneuer, School Place Planning Strategy Officer, Southwark Council, Children's and Adults' Services, Southwark Council, PO Box 64529, London, SE1P 5LX by telephone: 020 7525 5018, or by email: [ric.euteneuer@southwark.gov.uk](mailto:ric.euteneuer@southwark.gov.uk)

**Within four weeks from the date of publication of this proposal, any person may object to, or make comments on the proposal by sending them to** Ric Euteneuer, School Place Planning Strategy Officer, Southwark Council, Children's and Adults' Services, Southwark Council, PO Box 64529, London, SE1P 5LX or by email to: [ric.euteneuer@southwark.gov.uk](mailto:ric.euteneuer@southwark.gov.uk)



**Expansion of Ivydale Primary School  
from 2 to 4 forms of Entry (2FE to 4FE)**

Notice is given in accordance with section 19(1) of the Education and Inspections Act 2006 that the London Borough of Southwark intends to make a prescribed alteration to Ivydale Primary School, Ivydale Road, Nunhead, London, SE15 3BU, from the 1st September 2016.

The proposal is to permanently expand the physical capacity of the school, in order to accommodate extra pupils. This will be achieved by expanding on to the former Breedinghurst School site on Inverton Road, London, SE15 3AZ and providing new accommodation.

The current capacity of the school is 420 pupils and the proposed capacity will be 840 pupils. The number of pupils presently registered at the school is 459 pupils. The current admissions number is 60 (2 forms of entry (2FE) and the proposed admissions number is 120 (4 forms of entry), from the 1st September 2016 onwards. The Council needs to provide additional places to fulfil its statutory obligation to provide sufficient school places.

The Council will be funding this project.

No specific special needs proposals are being brought forward.

Signed:

Merril Haeusler  
Director of Education

Publication date: January 19<sup>th</sup> 2015  
Closing Date: February 16<sup>th</sup> 2015

**This Notice is an extract from the complete proposal. Copies of the complete proposal can be obtained from:** Ric Euteneuer, School Place Planning Strategy Officer, Southwark Council, Children's and Adults' Services, Southwark Council, PO Box 64529, London, SE1P 5LX by telephone: 020 7525 5018, or by email: [ric.euteneuer@southwark.gov.uk](mailto:ric.euteneuer@southwark.gov.uk)

**Within four weeks from the date of publication of this proposal, any person may object to, or make comments on the proposal by sending them to Ric Euteneuer, School Place Planning Strategy Officer, Southwark Council, Children's and Adults' Services, Southwark Council, PO Box 64529, London, SE1P 5LX or by email to: [ric.euteneuer@southwark.gov.uk](mailto:ric.euteneuer@southwark.gov.uk)**



## APPENDIX TWO – TWO EMAIL OBJECTIONS AGAINST KEYWORTH EXPANSION

Dear Mr Euteneuer,

I am emailing to comment on proposals to increase Keyworth Primary school to 3 FE.

I believe that the proposed increase is too large and will not enhance primary education. In the last Ofsted report the school was described as "larger than average" (page 3) and it was 1.5 FE at that time. Therefore the proposal to double that size to 3 FE would make it an extremely large primary school. I fear that Keyworth would become an increasingly anonymous institution for children where it would be difficult for each individual to be known and nurtured.

However, I understand that more school places are needed by 2016 and that current legislation prohibits councils from creating new schools. Thus it is extremely important that the proposed increase to Keyworth enhances, rather than detracts from the current educational provision. In order to do this, more space should be given to the school so that it can expand without losing its current green areas (the wild garden and the orchard in particular) and without reducing the average amount of space per pupil.

Additionally, I would like to draw your attention to other flaws in the proposed plans on which the expansion is based:

1. The proposed building is only 12m from residential properties and thus there will be overlooking into classrooms from bedrooms and vice-versa.

2. The increase in pupils will lead to increased traffic and footfall which will endanger pupils entering and leaving via Faunce Street. An extract from the Transport Statement which accompanies the planning application states:

2. This would increase the likeliness of vehicles trying to use Faunce Street despite its lack of turning head and increase potential vehicle/pedestrian conflicts of vehicles reversing down Faunce Street which currently occurs. (page 20)

The proposed plans give rise to many problems in the local community and would impact negatively on the children. There are currently no measures proposed which would adequately mitigate these issues. The council has not considered Councillor Neil Coyle's advice to consider using the Kennington Enterprise site to expand the school, an avenue which would allow a sustainable development to take place.

Therefore, I am opposing the expansion on the grounds that there are no acceptable and cohesive plans at the moment to accommodate such an increase.

Dear Ric,

I am writing to comment on the proposed expansion of Keyworth Primary School from 2FE to 3FE.

I do support the increases in school places required to support a growing population, however I cannot support the expansion of Keyworth Primary School as it places too high a burden on local residents. The application for a new school building and entrance for the school is wholly unsustainable and will cause traffic chaos and disruption to residents of Sharsted Street as well as noise and odour from poor locating of kitchen and plant facilities. It also massively impacts on light to peoples properties at the far end of Sharsted Street.

Despite much feedback from residents and councillors the council intends to pursue this approach rather than develop the (council owned) Kennington Workshops site instead, which offers far better opportunity to grow pupil numbers and create a proper school entrance to alleviate the congestion already seen by residents of Faunce Street.

In summary, the increase to 3FE cannot be supported as the councils plans to achieve this have not been thought through or sufficiently planned.

Yours Sincerely,

<b>Item No.</b> 15.	<b>Classification:</b> Open	<b>Date:</b> 17 March 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 – Home Care Procurement Strategy	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Dora Dixon-Fyle, Adult Care, Arts and Culture	

### **FOREWORD – COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR ADULT CARE, ARTS AND CULTURE**

The council's vision for adult social care underlines the importance of ensuring there is good quality, coordinated care and support available to people in their own homes and local neighborhoods. Home care services play a vital role, providing support which includes personal care, assistance with meal preparation along with a range of other practical support around the home that enables people to remain living at home safely and as independently as possible, for as long as possible. Delivering on the commitment to a Southwark Ethical Care Charter has put Southwark at the forefront of work to deliver a step change in the way home care is commissioned, and how the home care workforce is valued. I am pleased that we have already made good progress in implementing our commitments with our existing commissioned providers.

This report now sets out how the council intends to re-commission home care services so that the Southwark Ethical Care Charter can be implemented across the home care sector in the borough. The strategy set out in the report will allow the council to secure a series of geographically focused contracts to support closer working between home care services, primary care and community health services, as well as continuing to provide the flexibility that delivers the council's commitment to personalisation and choice and control for Southwark residents. The recommended approach will ensure that both smaller locally focused providers and larger national providers can engage in the procurement process. This is vital to ensure service users can continue to have choice from a diverse range of providers, all working to the high quality standards set out in the Southwark Ethical Care Charter.

### **RECOMMENDATIONS**

That cabinet:

1. Approves the procurement strategy outlined in this report, namely:
  - a) to undertake a competitive tender to re-commission home care services to establish a series of demand led, geographically based contracts aligned to the development of neighborhood working and local care networks
  - b) that the contracts once awarded will be for a term of five years from 1 July 2016, with provision to extend the contracts for a further two one year extensions.
2. Notes that as set out in paragraph 71 the initial market testing and development phase of the procurement will be used to determine the optimum configuration of the contracts that meet operational service requirements in relation to:

- a) Service quality and continuity
  - b) Provision of robust back up service delivery arrangements
  - c) Provision of specialist support including culturally specific care needs
  - d) Partnership working arrangements across the series of contracts
  - e) provision for the council to be able to commission care and support services to extra care housing from the contracts as required.
3. Delegates to the strategic director of children's and adults' services decisions in respect of the optimum configuration of contracts.
  4. Notes that the projected maximum estimated annual contract value for these contracts is £24 million (currently £18m), which will be met by existing social care budgets, and from NHS funding to the Local Authority, from the Better Care Fund and under agreements arising from integration, in line with the Care Act 2014.
  5. Notes that in line with the existing contract terms a further Gateway 3 report will be brought forward to exercise a further and final one year extension to 30 June 2016 to allow time for procurement of home care services to be completed.

#### **BACKGROUND INFORMATION**

6. Home care services provide a vital support which includes personal care, assistance with meal preparation along with a range of other practical support around the home that that enables people to remain living at home safely , for as long as possible.
7. The council's vision for adult social care recognises the importance of ensuring there is good quality, coordinated care and support available to people in their own homes and local neighbourhoods. It sets out a number of principles including a focus on securing a better experience of care for people and their carers in order to enable them to live independently for as long as possible.
8. Building on the previous work of the Home Care 'task and finish group', in July 2014 cabinet agreed the Southwark Ethical Care Charter (SECC) for home care services and a strategic commissioning approach that placed home care services at the heart of a community support service model.
9. This has put Southwark at the forefront of work to deliver a step change in the way home care is commissioned and how the home care workforce is valued. Through a variation and extension of existing home care contracts, agreed by the Cabinet Member for Adult Care, Arts and Culture in July 2014, the SECC has been implemented for the councils main cost and volume contracts. This now means home care workers are paid London Living Wage, paid for their travel time and offered guaranteed hours as opposed to zero hours contracts.
10. In this context the procurement strategy set out in the report will allow the council to implement the SECC for all commissioned home care services. The approach also supports the delivery of a locality based approach that supports the principles of personalisation and choice of provision for service users.

## KEY ISSUES FOR CONSIDERATION

### Market considerations

#### *Provider analysis*

11. The national market for home care services is large and diverse; some providers are small in scale and deliver services in defined and limited geographic areas and some work regionally and/or nationally. The market comprises of a range of provider types including voluntary sector organisations, private companies and some mutual/community interest companies who between them deliver almost 90% of publicly funded home care (IPC, 2012).
12. Analysis by Oxford Brookes University, Institute of Public Care in 2012 indicated that nationally there were 4515 registered providers and more recent market analysis by Laing and Buisson in 2014 confirmed that the market remains large and diverse. Unlike the nursing and care home market there is limited consolidation in home care where even the largest national provider only accounts for just over 6% of the market share. The next 9 largest providers individually deliver between 2.9% and 1.4% of all home care.
13. This diversity in the market fundamentally supports the personalisation of social care services which is more difficult to achieve where choice is restricted either through highly consolidated markets and near monopoly supply. It also ensures that local authorities can externally commission services with confidence knowing that there are a wide range of providers from which to secure high quality personalised care.
14. In Southwark the current home care contracts were put in place following a competitive tendering exercise that concluded in 2011. Prior to this the council had 19 cost and volume contracts with a range of home care providers. These providers included voluntary sector and private providers, some operating only in Southwark but the majority operating in Southwark and across the South London and greater London area.
15. The council also spot purchases care and support. Spot purchasing is used to respond to the fluctuating demands for homecare, and at times to respond to very individual and specific needs. The balance between spot purchasing, and use of the cost and volume contracts and are set out in table below.

Table 1. Homecare Summary

<b>Commissioning arrangement</b>	<b>Users supported</b>	<b>Provider summary</b>
Main cost volume contracts	1500	Private providers
Spot contracts	750	Private and voluntary providers

16. The recommended procurement approach will ensure that both smaller locally focused providers and larger national providers can engage in the procurement process. This is vital to ensure service users can continue to have choice from a range of providers, all working to the quality standards set out in the SECC and that niche services remain available where individual specialist need or cultural needs are identified as important by service users.

### **Quality Considerations**

17. High quality services are central to delivering good person-centred outcomes for users. National research including the regular national home care surveys carried out by local authorities have consistently identified key quality themes from a user's perspective around continuity of care, quality of interaction with their care worker and for care workers to have sufficient time to support individuals in the way they want to be supported.
18. The tender approach will require providers to sign up to delivering the SECC and will make clear that the council will expect providers to deliver quality improvements linked to reducing workforce turnover, improving the continuity of care for service users and working in partnership with the council on a social care workforce development and training strategy to ensure staff are equipped and supported to deliver the care that service users say they want.
19. Local analysis of home care activity indicates that adopting a locality focus to the configuration of future contracts is necessary. Through establishing smaller geographic patches that support joint working between home care staff, primary and community health services and wider preventative community support that tackles social isolation there is real scope to delivering care around the person in a more person-centred way. This is consistent and complementary to the development of Local Care Networks in Southwark and has informed the recommended tender and contracting approach.
20. The council has faced challenges to secure timely delivery of care to certain postcodes within the current arrangements, which in part has led to the levels of spot purchased care reflected in table 1. The procurement approach with its focus on establishing a series of geographically based contract will allow defined teams to operate in smaller areas, ensuring continuity of care and will address the challenges around access to and availability of care in some locations.

### **Cost Considerations**

21. Nationally there has been extensive research<sup>1</sup> and review of home care services including the cost of home care services. This national work and previous work undertaken locally has identified that the cost of home care services will increase in order to deliver the enhanced requirements of the SECC. The council however faces continued cuts to its budget.
22. It has therefore been important for the council to undertake affordability analysis to inform the procurement options. Local price modelling for the SECC, drawing on information sharing with other London boroughs, particularly those who have recently completed tenders for home care services, has given the council a good understanding of the likely cost of commissioning home care to the SECC Standard.
23. Although the enhanced specification associated with the SECC will prove more expensive, the recommended competitive tender approach will allow the council to secure value for money and contracts that are affordable by ensuring

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<sup>1</sup> UKHCA Care is not a Commodity 2012 and A fair price for care 2014; Kingsmill Review - 2014, Resolution Foundation - Zeroing In 2014; Laing and Bussion 2014.

providers bear some of the increased cost of delivering the enhanced specification.

### **Summary of the business case/justification for the procurement**

24. The council has a duty to assess the care and support needs of its most vulnerable residents and ensure those eligible under Fair Access to Care Service criteria needs can be met. The council does this by providing a Commissioned service or a direct payment in order for the person to make their own arrangements. The council has a duty to offer all eligible adults a direct payment.
25. In addition to the council's duty to assess need and make suitable arrangements to meet need, The Care Act 2014 places a further duty on local authorities to promote the efficient and effective operation of a market for meeting care and support needs. This includes a requirement to have a variety of providers that supports meaningful choice for service users, including for self funders, thus promoting vibrant, diverse and sustainable care and support markets.
26. The council's current arrangements for home care involve the commissioning of services from two main providers under a cost and volume contracting arrangement. These contracts expire at the end of June 2015 and although there is scope to extend these arrangements further to June 2016, there remains a need to put in place a more comprehensive longer term arrangement.
27. In addition the council spot purchases home care from a range of agencies. A framework to commission homecare to our standards, including SECC, would address the risks, issues and costs that arise in spot purchasing.

### **Options for procurement including procurement approach**

28. The council has a number of options when seeking to secure the delivery of high quality care and support services for Southwark residents. These include directly delivering these services or seeking to commission services from external providers.
29. The council has carefully considered the most appropriate approach to secure new delivery arrangements for home care services and the recommended approach is informed by:
  - a) the council's commitment to implement the SECC
  - b) analysis of the sector for home care services
  - c) the financial challenges the council faces
  - d) the national and local policy context and legislation in relation to the personalisation of social care services and use of direct payments
  - e) existing statutory duties and new requirements that come into force in April 2015 as a result of the Care Act 2014
  - f) the national and local strategic context and priorities to develop a more integrated, locality focused approach to social care, primary and community health care.
30. The recommended approach also takes account of previous options appraisal work (cabinet report October 2013), benchmarking and analysis of best practice, learning from recent regional and national tendering of home care services and

legal and procurement advice.

31. The options which have been actively considered are set out below along with the recommended route.

***Do nothing***

32. The council has a duty to ensure residents with assessed eligible social care needs have access the care services they require, as well as new duties under the Care Act 2014 to promote vibrant, diverse and sustainable care and support markets
33. The council could do nothing and simply spot purchase home care services beyond the current end date of the existing contracts. This would result in a very fragmented market where the council has less influence and certainty on the cost of services and less influence over the quality of services.
34. In addition, as is currently the case with existing spot purchasing, the council has limited scope to secure the SECC. Therefore moving to a spot purchasing arrangement beyond the life of the existing contracts would hinder rather than support the delivery of the council's commitment to implement the SECC.
35. This option and approach is not recommended

***Single supplier negotiations***

36. A negotiated variation and extension of existing contracts has enabled the council to implement the SECC. However the costs associated with this have not been subject to competitive market forces. Paragraphs 11 to 19 provide an overview of the home care provider market and illustrate that there is a well developed and diverse market which means that through tendering these contracts there would be scope to ensure that providers bear some of the cost of implementing the SECC.
37. In the context of a well developed and diverse market, undertaking single supplier negotiations with existing or individual providers also exposes the council to risk of challenge. Public procurement duties require local authorities to ensure it uses fair, equitable and transparent process for the letting and awarding of contracts and conducting a tender exercise is typically how local authorities comply with these duties.
38. A single supplier negotiation would also limit the scope to develop delivery in line with the future model of geographically locality based services. It would limit the scope to address the difficulties to provide homecare in some areas of the borough and would not allow the council to develop operational service requirements for primary, secondary and back up provider arrangements as well as specialist provision as required.
39. This option is therefore not recommended.

***Directly deliver home care services***

40. Very careful consideration has been given to the scope for Southwark to directly deliver home care services – i.e. bring home care services back in house. This



has included consideration of how this may impact on the council's duty to deliver personalisation and its ability to promote choice and control for Southwark residents over their care arrangements. Cost benefits have also been considered with detailed analysis of this having been undertaken by the council's external auditors.

41. Local authorities must offer all eligible adults direct payments and direct payments cannot be used to purchase council services. Direct delivery of home care services would therefore conflict with this duty and the council's Vision for Adult Social Care by restricting the choice and control available for users. It would also impact on the council's performance in relation to the take up of direct payments and would run contrary to the council's new duty under the Care Act to promote a diverse market for care services including self payers.
42. In relation to the cost of directly delivering home care services the analysis by the council's auditors involved an open book accounting exercise with the council's two existing providers. This has allowed the council to better understand service cost components and provider operating models, including organisational overheads and profit.
43. The findings of this work indicate an operating model where between 75% and 85% of cost is associated with care staff. With non staffing costs of between 15 and 25% including profit of between 3% and 8%, an immediate additional cost of directly delivering home care services would be a circa 16.5% increase in the staffing costs, which equates to a minimum of £2.6 million annually. This would be over and above the existing additional annual cost of £2 million noted in paragraph 100.
44. In addition the work has identified that the providers operating model does not compartmentalise Southwark commissioned work from care delivered to self funders or other neighbouring boroughs. There is therefore a risk that in seeking to directly deliver home care services to eligible Southwark residents the council could destabilise the local home care market, impacting on self funders and care workers themselves who deliver a mixture of Southwark, self payer and other local authority work, which would be in direct conflict the council's objectives and values.
45. As the personalisation agenda progresses and more people choose direct payments this would expose homecare workers employed by a Local Authority to a risk of redundancy.
46. On the basis of the above this option and approach is not recommended.

***Undertake a competitive tender process***

47. When considering the option to externally commission services by undertaking a tender exercise the council must consider the nature of the market for the services it wishes to commission. As set out in paragraphs 11 to 19 the market for home care services locally and nationally is diverse with a good range of small, medium and larger national providers; for profit and not for profit; businesses and charities.
48. The home care market is regulated by the Care Quality Commission and based on national information from CQC and benchmarking with other local authorities

there are many providers who are able to and have a track record of delivering good quality services in partnership with local authorities.

49. This context is important and provides the council with the necessary confidence and assurance that an external procurement could secure a good level of interest from potential providers, allow for competition and with the right approach to the tender methodology, enable the council to secure high quality services that provide choice for users and value for money for the council and its partners by requiring successful bidder to share the cost of the additional investment required to deliver the SECC.
50. Proactive pre-tender engagement with the market can also be used to help shape and influence the response to external procurements. This can include market shaping work that supports the development of different provider operating models such as Community Interest Companies (CICs), Social Businesses, arms length worker/management lead organisations to influence the type of providers who would be in a position to respond with appropriate proposals when the council issues its invitation to tender.
51. In consideration of the above and the other options, it is recommended that an external procurement exercise is undertaken.

#### **Proposed procurement route**

52. When seeking to secure services from external suppliers the approach can include undertaking an open procurement, restricted procurements, two stage procurements and competitive dialogue for both single/multiple contracts or Framework contracts.
53. Home care services, and most other social care services, when externally commissioned, have generally been procured using a two stage restricted tender approach. This approach is often adopted on the basis that the services being procured can be easily specified and therefore set out clearly and unambiguously in tender documentation to which providers respond.
54. Given the focus on commissioning for outcomes coupled with working across health and social care services consideration has been given to whether a restricted two stage approach will deliver the outcome the council is seeking to achieve.
55. Competitive dialogue can allow, through the tender process, specified aspects of the approach to be developed with potential providers, leading to refinement of the approach against which bidders make final submissions. While a competitive dialogue could help with the development of outcome focused contracts and the geographically based approach recommended for this tender approach, it would add complexity to the tender and require additional time and is therefore not recommended.
56. In consideration of the above the recommended approach is to undertake a restricted two stage competitive tender to secure a series of geographically based contracts held in an overarching framework. This arrangement will allow the council to manage risk and focus services on local networks to deliver better continuity of service, improve user experience and secure best value for money

57. The recommended approach to undertake a restricted two stage competitive tender will allow the council to put in place new contracting arrangements as quickly as possible. It should be noted additional time has been included to allow market discussion to be undertaken on the outcome focussed activities prior to the procurement.
58. It should be noted, however that the two main cost and volume contracts will need to be extended beyond their existing end date of June 2015 in order to ensure continuity while the tender processes is completed. Based on the timetable set out on page 11 an extension to the end of June 2016 will be required.

### Identified risks for the procurement

59. The main risks are identified below:

No.	Risk	Level	Mitigation
1	The market not being fully developed and providers not equipped to deliver the required service.	Low	Pre tender market engagement
2	Provider failure to deliver to the required capacity and quality standards	Low	Pre tender development with providers of the optimum approach to secure, primary, secondary and back up arrangements in a framework that ensures this risk is designed out as far as possible.
3	Enhanced quality and specification requirements of the SECC cannot be met by providers.	Low	Pre tender engagement and tender process will ensure this is robustly tested.
4	Continued reductions to council funding could mean the council cannot afford the enhanced service specification associated with the SECC in the longer term.	Med	Price will be robustly tested through the tender process and the development of the tender approach will include consideration of controls around volume and a pricing floor/ceiling.  The council will also seek some financial risk share with the CCG through the development of the local care networks model and the homecare providers who will also benefit from the SECC in terms of recruitment and retention.

### Policy implications

60. Community based home care services help ensure that the council meets its statutory duties under local government, community care and NHS legislation and Fair Access to Care Services (FACS) eligibility criteria.
61. The re-commissioning of home care services will ensure the council can meet its

duties set out above and new duties under the Care Act 2014. It is also consistent with and supports the ongoing delivery of the councils Vision for Adult Social Care Services agreed by cabinet in April 2011.

62. The council's new duty under the Care Act 2014 from April 2015 will require the council to promote an effective care and support market that contains a variety of services and providers. This coupled with the restrictions on the use of direct payments means that the recommended approach meets these duties in the round.
63. By re-commissioning home care services in line the strategic principles for ICS agreed by cabinet in July 2014 the procurement approach set out in this report supports the Southwark Health and Wellbeing Board's vision for integration. It will also deliver the "Fairer Future" Council Plan commitment of the SECC.

### Procurement plan

64. The timeline for the procurement plan is set out below:

<b>Home care re-commissioning timetable</b>	
<b>Activity</b>	<b>Complete by</b>
Forward Plan	October 2014
Review by Departmental Contract Review Board (DCRB)	4 February 2015
Review by Corporate Contract Review Board (CCRB)	18 February 2015
Cabinet Agenda Planning	3 March 2015
Deadline for final report to cabinet dispatch	5 March 2015
Notification of forthcoming decision – dispatch of cabinet agenda papers	6 March 2015
<b>Cabinet – Decision on Gateway 1: re-commissioning approach to Southwark's homecare service</b>	<b>17 March 2015</b>
Scrutiny call-in period and notification of implementation of Gateway 1 decision	25 March 2015
Pre market engagement and bidders sessions	April and May 2015
Completion of pre-qualification questionnaire (PQQ) documentation	June 2015
Completion of invitation to tender (ITT) documentation	April to June 2015
Bidders briefing session	June 2015
Advertisement of contract (OJEU)	June 2015
Closing date for completed PQQ	July 2015
Closing date for PQQs short-listing	August 2015
Inform bidders of the outcome of the PQQ evaluations	August 2015
Dispatch of ITT	September 2015
Bidders briefing session	October 2015
Closing date for return of tenders	November 2015
Completion of ITT evaluation	November and December 2015
Review Gateway 2 by DCRB	January 2016
Review Gateway 2 by CCRB	February 2016
Dispatch of cabinet agenda papers	February 2016
Cabinet agenda planning	February 2016
Dispatch of cabinet papers	March 2016
<b>Cabinet – Decision on Gateway 2: re-commissioning approach to Southwark's homecare service</b>	<b>March 2016</b>

<b>Home care re-commissioning timetable</b>	
<b>Activity</b>	<b>Complete by</b>
Scrutiny call-in period and notification of implementation of Gateway 2 decision	March 2016
Contract award	March 2016
TUPE consultation period	April 2016 to June 2016
Contract start	July 2016
Initial contract completion date	End July 2021
Contract completion date (if extension(s) exercised)	End July 2023

## **TUPE**

65. The proposed procurement strategy is likely to have TUPE implications and the extent of the TUPE implications will depend on the final contract award. These TUPE implications do not directly affect the council as an employer. The procurement plan has therefore scheduled time to work with any potential incumbent and successful providers, and ensure that there is sufficient time for discussion and agreement prior to any contract start.
66. It is estimated that approximately 700 staff are employed, part-time or full-time, across the current two main cost and volume home care contracts. The majority of care workers choose to work part-time. Following the contract extension and variation these staff are paid London Living Wage, paid for their travel time and have been offered a guaranteed number of hours as opposed to zero-hour contracts.

## **PROPOSED TENDER APPROACH**

### **Development of the tender documentation**

67. A dedicated project board and project team will be established to drive forward the development of the tender documentation and the procurement process will include a pre tender market development and engagement phase that will enable the council to:
- a) determine optimum framework configuration of contracts to meet operational requirements to have robust back up contracting arrangements and the provision of specialist services,
  - b) establish clear expectations of providers including the requirement for them to deliver the SECC.
  - c) develop the price evaluation methodology to ensure costs are reasonable and affordable, secure delivery of the SECC and consistent with the council's offer of a longer term contracting arrangement
  - d) Align contract outcomes with the development of local care networks to secure greater operational and financial collaboration with our local NHS partners.
  - e) Contracting for outcomes and partnership working on a locality basis.
68. Key stakeholders from social care operational teams, commissioning and contracting in Children's and Adults' Services, as well as the local NHS CCG, will be finalising the service specifications as part of the pre-tender market engagement.
69. Legal, procurement and finance will support and advise on the development of the pre-qualification questionnaire (PQQ), invitation to tender (ITT), and support the

development of the evaluation criteria, pricing documents and methodology statements. A complete suite of tender documentation will then be issued prior to the ITT stage.

### **Advertising the contract**

70. In addition to pre market engagement activity through bidders events prior to formally advertising the tender the council will widely publicise the invitation for expressions of interest in a range of publications and local press as listed below:

- Contracts finder
- Community Care
- Southwark Council Website
- South London Press
- OJEU Notice
- Existing homecare providers commissioned by Southwark will be invited to attend a bidders meeting once the procurement has been advertised.

### **Evaluation**

71. In order to secure the best service possible from providers, with outcomes for users, the report proposes a weighted model of 60/40.

### **Quality – 40%**

72. The dedicated project board and project team will oversee the development of the quality evaluation criteria taking account of pre tender market engagement work and adult social care and Southwark CCG operational priorities and quality requirements.

73. Staff from these stakeholder groups will be involved in the evaluation panels and with oversight from the project board the evaluation panels will set the criteria and examples of the themes that will be considered include, but will not limited to:

- Provider Care Quality Commission (CQC) licensing and registration
- Safeguarding
- Equalities
- Integration and joint working
- Quality assurance, service development and staff training and support
- Delivering the enhanced requirements of the SECC.

74. The quality evaluation will take the form of written submissions, clarification meetings, and reference requests and, importantly, site visits.

75. The bidders will also be required to demonstrate their commitment to the SECC for their local workforce.

### **Price Evaluation – 60%**

76. The dedicated project board and project team will utilize the findings of extensive benchmarking of unit costs being paid for homecare, and other related services in London to devise a methodology that ensures transparency of pricing and certainty of cost for the council. Providers will be required to submit a full

breakdown of their costs based upon the councils "Evidence Based Costing template" which includes.

- The hourly rate of pay for staff
- Management costs
- Building and office costs, including rent
- Reasonable operating profit for the organisation.

77. Analysis of these cost components will form part of the evaluation and with 60% allocated to price cost and affordability will be an important consideration in the purchasing plan and will inform the outcome of the final tender. A price floor and ceiling will ensure that the price set is neither too low or too high.

### **Community impact statement**

78. The Public Services (Social Value) Act 2012 requires the council to consider a number of issues including how what is proposed to be procured may improve the economic, social and environmental well-being of the local area. These issues are considered in the following paragraphs which set out economic, social and environmental considerations along with the council's public sector equalities duties.

79. On initial assessment there is not thought to be any disproportional impact in relation to the following areas covered by the council equality agenda: Race, Gender, Age, Disability, Faith and Religion, Sexuality, Gender re assignment, Marriage and Civil Partnership and finally Child Care and Pregnancy.

80. One of the key outcomes to be achieved by the proposed procurement strategy will be to secure improvements in the quality and responsiveness of home care services. As the recipients of home care services, are overwhelmingly older people above pensionable age, who are also likely to be living with a disability or one or more chronic long term conditions and, the proposed procurement strategy should deliver a positive equalities impact by supporting both older people and younger disabled people to maintain their independence and live fulfilling lives outside of institutional care for as long as possible.

81. On-going assessment of equalities impact will be made throughout the development of the tender documentation and the tender process itself

82. The demographics of people who receive social care delivered by the council in Southwark can be summarised as follows:

- Of 4600 people who receive care, approximately 64% are older people, with the remainder being people with learning disabilities, mental health problems or physical disabilities.
- Amongst the over 65's approximately 65% of these are women, which is linked to longer life expectancy for women and that needs for home care increase with much older people.
- Approximately 37% of service users over 65 are from Black, Minority and Ethnic (BME) groups .This being disproportionately higher than the proportion of people over 65 years of age from BME communities in the borough)

- Amongst the under 65's approximately 47% of these are women and approximately 56% are from BME groups.
83. All those in receipt of homecare and local authority community based services meet the Fairer Access to Care Services (FACS) criteria of critical or substantial. This means that these people are likely to be classified as having a disability.
  84. The new service will require providers to pay staff London Living Wage, pay for their travel time and to offer a guaranteed level of working hours as an alternative to zero hour contracts. As the majority of these staff are local women, disproportionately from BME communities, this payment will have a positive impact upon those traditionally marginalised groups as well as the local economy.
  85. Whether bidders have acceptable equalities codes of practice and policies will be considered as part of the evaluation process and are a core part of their registration requirements with the CQC. Provider will therefore be required to be compliant with these standards and the standards expected by the council in particular demonstrating a committed to the Southwark Ethical Care Charter.

#### **Economic considerations**

86. The majority of the workforce expected to deliver the new service live locally, and the award of the contracts will support the local economy. In this way, the commissioning principle of placing Southwark as a great place to live and work at the heart of the service will be supported.
87. Those employed by the successful providers are likely to be local women and men who will be helped economically by the application of the London Living Wage and the broader principles of the SECC.

#### **Social considerations**

88. The evaluation of the bids will ensure that providers have a strong track record in delivering services to a diverse group of service users.

#### **Environmental considerations**

89. The evaluation of the bids will ensure that providers have an acceptable green policy in relation to the delivery of the service. The council will expect the majority of the workforce to use public transport to travel between service user visits. The provider is expected to use digital resources, including secure electronic mail and databases in order to eliminate the unnecessary use of paper.

#### **Proposals for the monitoring and management of the contract**

90. The contracts will be monitored by the Children and Adults' contract monitoring team and provider performance will be measured against the service specification outcomes and Key Performance Indicators (KPIs) as set out in the contract documentation.
91. There is clear evidence from discussions with London boroughs that strong local



leadership within the registered branch delivering the local care services is fundamental to securing high quality services. The council will adopt a strong partnership and relationship management based approach to the management of the proposed contracts and design in greater provider ownership and accountability around outcomes and the needs of service users and family carers in the localities they cover. It will also be central to ensuring providers are clear about their role and responsibilities to operate effectively as part of a local care network of care and support.

92. The contract will therefore be monitored on the basis of real outcomes for those who receive care, with wellbeing as well as health and care outcomes at the core of contract management. It will maximize the opportunity to implement a fresh approach to quality and performance reporting where the contracting arrangements will put greater responsibility on providers to routinely collect and report on quality, performance and service user satisfaction, alongside a requirement to implement electronic visit monitoring. In addition to outcomes, key outputs such as no 15 minute home care visits will be implemented and monitored.
93. Any concerns or complaints about the service raised by individuals, their families or carers will be investigated, as appropriate, by the council.
94. The supplier's performance will also be monitored by the Care Quality Commission (CQC) which will raise any concerns to the council.
95. Southwark Healthwatch is the local champion for patient and care users experience of local health and social care services, and will have a role in bringing forward issues or raising concerns about the service.
96. The KPIs for the service will be considered and agreed at appropriate levels within the council's children's and adults' services department, including by key social care leads.

#### **Staffing procurement implications**

97. The procurement will be contained within the existing commissioning, procurement, legal, social care and finance staffing structures.

#### **Financial implications**

98. The children's and adults' services department is currently spending £18m annually on Homecare . This will increase to £20m in 2015/16. Funding for the £2m increase has been factored into the 2015/16 budget setting process.. By 2016/17 the full implementation of the SECC is expected to cost £24m annually. This represents over £4m additional investment and will be considered as part of council's overall budget setting process.
99. The investment in quality homecare is in context of significant budget pressures on the council's overall budget. The council however, recognizes that improving the quality of homecare will promote service user independence and help deliver better health and social outcomes. It will increase the length of time that adults can stay in their own homes and reduce hospital stays or placements in residential homes, which are both higher cost alternatives with poorer outcomes.

100. There are also potential risks from annual inflation uplifts and LLW increases. The council will through its procurement and commissioning strategy ensure that these risks are shared with providers, strategic partners and other stakeholders.
101. The department has duly considered these underlying financial challenges and together with corporate colleagues have mapped out a funding plan.
102. The recommended procurement strategy as described in paragraphs 55-62 which allows for a competitive tender exercise will support the council to achieve value for money alongside quality considerations. This will provide the council with an opportunity to manage the inherent risks

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

103. This report is seeking approval of the procurement strategy for the provision of a series of Home Care services contracts, on a framework.
104. Currently home care services are being procured through an existing contract with two main providers and spot purchases with a range of agencies. The report clarifies the options that have been explored for future delivery of the home care services and concludes that a series of demand led, geographically based contracts on a framework shall be put in place, allowing the council to implement the Southwark Ethical Care Charter (SECC) which was agreed by cabinet in July 2014. The report confirms that a market exists to support this approach.
105. As part of the procurement process a pre-tender market development and engagement phase shall be carried out. This shall go some way to inform the development of the tender documentation in order to secure a suitable service.
106. With a contract of this size and nature, EU regulations apply. The report confirms that a restricted process will be followed which is in line with the regulations and satisfies the council's contract standing orders.
107. The timeline for this project is achievable provided the appropriate resources are available when necessary.
108. The report confirms that project governance will be set up who will provide input and advice with the preparation and development of the tender documentation.
109. Evaluation will be based on a weighted model, 60/40 as set out in the report. The report advises that the project team and project board shall be responsible for the development of the evaluation methodology and criteria which should be issued to the tendering parties at the outset of the tendering process

### **Director of Legal Services**

110. This report seeks the approval of cabinet to the procurement strategy for home care as outlined in this report.
111. It is considered that these services are subject to the Public Contracts Regulations 2015. Paragraph 56 of this Report confirms that a restricted two stage tendering procedure is proposed which will comply with EU regulations

and CSO tendering requirements.

112. This contract is classified as a strategic procurement and therefore CSO 4.4.2 a) reserves the decision to the cabinet or cabinet committee to authorise the proposed procurement process, after consideration by the corporate contracts review board (CCRB) of the report.
113. Pursuant to section 149 of the Equality Act 2010 the council must have due regard to the need to:
  - (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
  - (c) Foster good relations between person who share a relevant protected characteristic and those who do not share it.
114. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Marriage and civil partnership are protected in relation to (a) only.
115. Paragraphs 78-80 and 83 of the report demonstrate how the council has had due regard to PSED in this procurement and the decision maker should satisfy him/herself that this duty as been complied with when considering these recommendations.

**Strategic Director of Finance and Corporate Services (FC14/053)**

116. The strategic director of finance and corporate services notes the recommendations in this report for a procurement strategy for re-commissioning home care services.
117. The costs of the proposed contract are outlined in the financial implications section of the report. The contracts are planned to commence on 01/07/2016. Further detail of the estimated costs will be available as part of the Gateway 2 contract award report to cabinet, anticipated in March 2016. However, the costs of the service will need to be addressed as part of the council's budget setting process for 2016/17, which will be a council assembly decision in February 2016.
118. It is noted that the projected maximum estimated annual contract value for these contracts is £24 million to be met by existing social care budgets, and from NHS funding to the Local Authority, from the Better Care Fund and under agreements arising from integration, in line with the Care Act 2014.
119. Any costs associated with the extension of the contract from 01/07/15 to 30/06/16 will need to be contained within the budget as agreed by council assembly in February 2015.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Gateway 2 – Contract Award Approval – Homecare Services in Southwark presented to Cabinet on 25 <sup>th</sup> January 2011	Children’s and Adults’ services Southwark Council 160 Tooley Street, London, SE1 2QH	Jonathan Lillistone on 020 7525 2940
<b>Link</b> <a href="http://moderngov.southwark.gov.uk/documents/s15724/Report%20Home%20Care%20Contract%20Award%20Gateway%202.pdf">http://moderngov.southwark.gov.uk/documents/s15724/Report%20Home%20Care%20Contract%20Award%20Gateway%202.pdf</a>		
Developing a Quality Strategy and Best Practice Principles for Homecare Services: Initial review of UNISON’s ethical care charter presented to Cabinet on 16 April 2013	Children’s and Adults’ services Southwark Council 160 Tooley Street, London, SE1 2QH	Jonathan Lillistone on 020 7525 2940
<b>Link</b> <a href="http://moderngov.southwark.gov.uk/documents/s36891/Report%20Developing%20a%20Quality%20Strategy%20and%20Best%20Practice%20Principles%20for%20Home%20Care%20Services%20Initial%20r.pdf">http://moderngov.southwark.gov.uk/documents/s36891/Report%20Developing%20a%20Quality%20Strategy%20and%20Best%20Practice%20Principles%20for%20Home%20Care%20Services%20Initial%20r.pdf</a>		
Ethical Care Charter Task and Finish Group. Progress and Feasibility Report on the Work of the Task and Finish Group presented to Cabinet on 19 <sup>th</sup> November 2013	Children’s and Adults’ services Southwark Council 160 Tooley Street, London, SE1 2QH	Jonathan Lillistone on 020 7525 2940
<b>Link</b> <a href="http://moderngov.southwark.gov.uk/documents/s42157/Report%20Ethical%20Care%20Charter%20Task%20and%20Finish%20Group%20-%20Progress%20and%20Feasibility%20Report%20on%20the%20Work%20of%20.pdf">http://moderngov.southwark.gov.uk/documents/s42157/Report%20Ethical%20Care%20Charter%20Task%20and%20Finish%20Group%20-%20Progress%20and%20Feasibility%20Report%20on%20the%20Work%20of%20.pdf</a>		
Gateway 3 contract approval – contract extension and variation for home care services	Children’s and Adults’ services Southwark Council 160 Tooley Street, London, SE1 2QH	Jonathan Lillistone on 020 7525 2940
<b>Link</b> <a href="http://moderngov.southwark.gov.uk/documents/s42157/Report%20Ethical%20Care%20Charter%20Task%20and%20Finish%20Group%20-%20Progress%20and%20Feasibility%20Report%20on%20the%20Work%20of%20.pdf">http://moderngov.southwark.gov.uk/documents/s42157/Report%20Ethical%20Care%20Charter%20Task%20and%20Finish%20Group%20-%20Progress%20and%20Feasibility%20Report%20on%20the%20Work%20of%20.pdf</a>		
Integrated community support – a new commissioning strategy, underpinned by an ethical care charter	Children’s and Adults’ services Southwark Council 160 Tooley Street, London, SE1 2QH	Jonathan Lillistone on 020 7525 2940
<b>Link</b> <a href="http://moderngov.southwark.gov.uk/documents/s47493/Report%20Integrated%20Community%20Support.pdf">http://moderngov.southwark.gov.uk/documents/s47493/Report%20Integrated%20Community%20Support.pdf</a>		

## APPENDICES

No.	Title
Appendix 1	Homecare – commissioning strategy and Southwark ethical care charter

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Dora Dixon-Fyle, Adult Care, Arts and Culture	
<b>Lead Officer</b>	David Quirke-Thornton, Strategic Director for Children's and Adults' Services	
<b>Report Author</b>	Jonathan Lillistone, Head of Commissioning, Children, Families and Adults	
<b>Version</b>	Final	
<b>Dated</b>	5 March 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Children's and Adults' Services	Yes	Yes
Head of Procurement	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	5 March 2015	

## Southwark Ethical Care Charter (SECC)

The principles of the Southwark Ethical Care Charter (SECC) are set out below.

- (1) Time allocated by care workers to visits will match the needs of clients (and visits will not be arbitrarily limited to 15 mins).
- (2) There will be no minute-by-minute task-based commissioning or provision of care.
- (3) Domiciliary care workers will be paid for their travel time.
- (4) Local authorities and service providers will be transparent in their price setting.
- (5) Zero hour contracts will not be used in place of permanent contracts for care workers.
- (6) Local authorities will monitor service providers, including monitoring the working conditions of staff in care.
- (7) Clients will be allocated the same care worker wherever possible.
- (8) Visits will be scheduled so that care workers are not forced to leave to get to a visit with another client.
- (9) Those homecare workers eligible will be paid statutory sick pay.
- (10) Domiciliary care workers will be covered by occupational sick pay schemes.
- (11) Providers will have a clear procedure for following up concerns about clients.
- (12) Homecare workers will be trained (at no cost to individual care workers).
- (13) Homecare workers will be given time to meet co-workers to share best practice.
- (14) Homecare workers will be paid at least the London Living Wage [LLW].

<b>Item No.</b> 16.	<b>Classification:</b> Open	<b>Date:</b> 17 March 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 2 – Reablement Service Contract Award Approval	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Dora Dixon-Fyle, Adult Care, Arts and Culture	

### **FOREWORD – COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR ADULT CARE, ARTS AND CULTURE**

The council's vision for adult social care underlines the importance of ensuring there is good quality, coordinated care and support available to people in their own homes and local neighbourhoods. Reablement services are central to our commitment to provide access to rehabilitative services that help people regain a level of independence after a period of sickness or incapacity. These services aim to help reduce the need for on-going social care support, prevent avoidable hospital admissions and delay or prevent people's need for residential care, and are also vital to our joint work with Southwark NHS.

We place quality and value for money at the heart of the services that we procure. It is vital that the council can be confident it can secure this before awarding contracts to work with external partners to deliver our commitments. This report sets out the outcome of the procurement the council undertook to secure providers to deliver reablement services across the borough. It highlights that we received a limited response from providers and that the quality assessment of providers' proposals combined with the cost of these proposals did not give the necessary level of confidence needed to proceed to award of contract. This report therefore recommends that we cease the procurement at this stage.

It is right that we are prepared to take such decisions for important services that some of the most vulnerable members of our community depend on. We should be proud of the exemplary standards we expect these services to deliver. I welcome the recommendation to cease the procurement and for officers to explore the options for the council to directly deliver a reablement service, and I look forward to receiving recommendations on how best to take this forward in the near future.

### **RECOMMENDATIONS**

#### **Recommendations for the Cabinet**

1. That cabinet note the limited response to the reablement tender and the concerns set out in this report in relation to the outcome of the procurement.
2. That cabinet agree to cease the procurement and not to proceed to award the reablement contracts for the reasons set out in paragraphs 31-39.

3. The cabinet authorises the strategic director of children and adult's services to urgently explore the options for directly delivering a reablement service and bring back to cabinet recommendations for taking this forward.

#### **Recommendation for the Leader of the Council**

4. The leader of the council authorises the strategic director of children's and adults' services to enter into single supplier negotiations with the current providers for contracts to cover up to twelve months from 1 July 2015 to 1 July 2016 at a projected combined cost of approximately £635,000; to ensure continuity of service and allow time to complete the appraisal and, subject to cabinet approval, implement a direct delivery reablement service.

#### **BACKGROUND INFORMATION**

5. The Gateway 1 procurement strategy for the two reablement contracts was agreed by cabinet in October 2013, and included an evaluation model based on 80% quality and 20% pricing.
6. The timeline for the procurement was subsequently revised to allow time to fully assess how bidders would comply with the council's later requirements as set out in the Southwark Ethical Care Charter.
7. The procurement strategy sought to award a three year term for each contract. It also allowed for provision to extend each contract for a further three periods of one year if required (following any necessary renegotiation taking place at the end of the initial contract term)

#### **Procurement project plan (Key Decision)**

8. The timetable for this procurement is set out below:

<b>Activity</b>	<b>Completed by/Complete by:</b>
Approval of Gateway 1: Procurement Strategy Report	02/10/13
Invitation to tender	17/10/14
Closing date for return of tenders	21/11/14
Completion of evaluation of tenders	16/1/15
Children and Adults Board Review Gateway 2	18/02/15
CCRB Review Gateway 2	19/02/15
Notification of forthcoming decision – despatch of cabinet agenda papers	05/03/15
Cabinet consideration of Gateway 2: Contract Award Report	17/3/15
End of Scrutiny Call-in period and notification of implementation of Gateway 2 decision	25/3/15



## KEY ISSUES FOR CONSIDERATION

### Description of procurement outcomes

9. This procurement sought to deliver two reablement contracts:
  - Lot 1 – The North Reablement Contract
  - Lot 2 – The South Reablement Contract
  - One of the lots would also incorporate a smaller specialist “Neuro rehab” service, to work within the integrated stroke service in Southwark. This service would be awarded to one of the Lots at the discretion of the council on value for money principles.
  
10. Reablement is a short rehabilitative service that can help frail elderly and disabled people regain a level of independence after a period of sickness or incapacity, thus effectively reducing their incapacity or impairment.
  
11. The procurement sought to deliver providers that would manage Reablement Support Workers (RSWs) working in the community as well as senior RSWs and Care Co-ordinators who would be co-located with the council’s social work and occupational therapy teams at Queens Road, Peckham (or for neuro rehab, the Stroke Team based at Dulwich Community Hospital)
  
12. Reablement includes:
  - Reablement and neuro rehab RSWs working closely on a day to day basis with council social work / occupational therapists as well as other NHS professionals. The service model needs to be able to continually adapt and evolve, to reflect the on-going changes in the local social care and health economy and respond immediately to urgent issues such as the recent winter pressure on local accident and emergency and acute services.
  - Reablement is by definition time limited, with very specific goals to be achieved throughout the term of the package and is normally delivered by a team of RSWs.
  - Most service users who benefit from reablement services have either been recently discharged from hospital or recovering from a recent episode of ill health, a fall or other type of health problem.
  - Reablement is free for up to 6 weeks, though most reablement is for less than 6 weeks.
  - Reablement may not be taken as a direct payment. Reablement services are funded by the Department of Health, through the Better Care Fund (BCF) from April 2015 which has been agreed locally with the Clinical Commissioning Group (CCG)
  - A significant proportion of councils provide most of their reablement in house, as opposed to commissioning third party organisations.

### Policy implications

13. The reablement service is used by the council as a means to comply with its statutory duties under the Care Act 2014 (which takes full effect in April 2015) to support older and disabled people to retain as much independence at home as possible.

14. Reablement compliments the aims of the Health and Well Being Strategy; to promote resilience within the population and support the most vulnerable.
15. Reablement is paramount in the council's approach to delivering the objectives of integrated care with the NHS as set out in the Southwark BCF.
16. An emphasis upon integrated care and reablement is also a key component of the Southwark and Lambeth Integrated Care (SLIC) programme involving Lambeth and Southwark councils, and Guys and St Thomas's, Kings and South London and Maudsley NHS Trust.
17. Reablement is also a key approach through which the council will meet on-going budget pressures required within its social care budget (due to continued reduction in financial support received from central Government)

### **Tender process**

#### **Pre-Qualification Questionnaire (PQQ)**

18. An advert for the contracts, where potential bidders were asked to request a Pre-Qualification Questionnaire (PQQ) was placed in the following:
  - The council web site,
  - The South London Press
  - Community Care Magazine
  - A voluntary notification on the Official Journal of European Union (OJEU) – Part A/B Services
19. The PQQ documentation set out the methodology to be used to assess the PQQ submissions, background to the contracts and the requirements of the council in relation to quality and performance. The PQQ stated that the council would only consider the ten highest scoring submissions at PQQ stage to be invited to tender. The PQQ also made it clear that the council could withdraw from the process at its sole discretion at any stage of the process, and without liability for costs.
20. The PQQ submissions were assessed by an evaluation team comprising of operational/safeguarding, finance, and health and safety, procurement and commissioning officers. The PQQ evaluation examined the following areas:
  - I. Company Information
  - II. Financial Viability
  - III. Equal Opportunities
  - IV. Health and Safety
  - V. Safeguarding
  - VI. Technical questions
  - VII. Company policies and procedures
  - VIII. References
21. 51 PQQ packs were requested by applicants, but only 12 eligible bids were finally received. The outcome of the PQQ resulted in the ten top scoring

applicants being invited to tender, with the two lowest scored bidders being eliminated from the process. The results are summarised below:

**Table 1 Summary of PQQ Stage**

Outcome of PQQ	Number of applicants
Evaluated and invited to tender	<b>10</b>
Evaluated and not invited to tender	<b>2</b>
Late submission and ineligible for evaluation	<b>1</b>

22. Only 12 (24%) of those who requested a PQQ pack made an eligible submission, which was lower than had been anticipated (considering the efforts taken to widely advertise to the sector). Views were therefore sought from those who requested a PQQ pack but failed to make a submission, as summarised below:

**Table 2 Summary of reasons given why an eligible PQQ was not submitted**

Reason	No of bidders
Late submission deemed ineligible	1
Did not meet the company turnover threshold requirement (£2m p.a.)	5
Did not have the local capacity to deliver the service	1
Did not have the technical experience to deliver the service	1
Declined to respond	31

23. Despite the response rate to the PQQ, the Procurement Project Board was satisfied at that stage that the procurement outcomes might still be delivered through a continuation of the tender process.

### **Invitation to Tender**

24. The Invitation to Tender (ITT) documentation was sent to the ten selected bidders on 14 October 2014. These bidders were required to bid for both "Lots": Reablement North and Reablement South, with the neuro rehab service being awarded to the bidder that demonstrated best value for the council for that service. The ITT methodology used is set out in appendix 1.
25. A bidders meeting was held on 22 October 2014 to further clarify the ITT methodology and the outcomes sought by the council. Notes taken at this meeting alongside subsequent FAQs were then distributed to the ten bidders prior to the closing date of the ITT on 21 November 2014.
26. Only four ITT submissions in total were finally received by the council by the closing date. One of these submissions was disqualified as being ineligible for technical reasons. Bidders who chose not to submit a bid were contacted and asked why they chose to withdraw from the tender process. The responses are summarised below:

**Table 3 – ITT submission summary**

Reasons given by bidders to their ITT response	No of bidders
Submitted an eligible bid	3

Reasons given by bidders to their ITT response	No of bidders
Submitted an incomplete and therefore ineligible submission	1
Lacked the capacity to deliver the contract	2
The contracts on further assessment did not fit into the companies' strategic business plan	2
Financial risk	1
Declined to provide a reason	1

27. The Procurement Project Board reviewed at this stage whether the procurement was still viable given the relative low response rate of eligible ITT submissions. They decided to proceed with evaluating the three submissions received and then review again whether the council's procurement objectives and value for money requirements would be achieved from the evidence of the evaluation process.

### Tender evaluation

28. The final quality scores were reached following a consensus scoring process. This addressed any variance in the initial scores between the different evaluators and paid due regard to the clarification responses obtained from the bidders themselves, the outcomes of the site visits and reference requests. The process ensured that the views of different professionals on the quality of the submissions as validated by the evidence obtained through the verification process resulted in a consensus score that they were all content with. This resulted in a single score for both the north and south lots as summarised below:

**Table 4 - Quality Scores (for both lots)**

Bidder	Score
Bidder A	57.6
Bidder B	54
Bidder C	53.6

29. The outcome of the finance evaluation provided separate scores for both lots are summarised in the tables below:

**Table 5- Lot 1 North Contract Finance Scores**

Company	Sustainability Score- Pass /Fail	Final Finance Score
Bidder A	Pass	20.00
Bidder B	Pass	12.59
Bidder C	Pass	19.03

**Table 6 - Lot 2 South Contract Finance Scores**

Company	Sustainability Score- Pass /Fail	Finance Score
<b>Bidder A</b>	Pass	20.00
<b>Bidder B</b>	Pass	12.46
<b>Bidder C</b>	Pass	19.95

**Final Scores**

30. The final combined scores are set out in the tables below.

**Table 7 - Lot 1 North Contract Final Scores**

Company	Quality Score	Finance Score	Final combined Score
<b>Bidder A</b>	57.6	20.00	77.6
<b>Bidder B</b>	54	12.59	66.59
<b>Bidder C</b>	53.6	19.03	72.63

**Table 8 - Lot 2 South Contract Final Scores**

Company	Quality Score	Finance Score	Final combined Score
<b>Bidder A</b>	57/6	20.00	77.6
<b>Bidder B</b>	54	12.46	66.46
<b>Bidder C</b>	53.6	19.95	73.55

**Issues for consideration**

31. Following the extensive evaluation process and the subsequent clarifications, verifications and reference vetting process, the council is **not** fully satisfied that this procurement will deliver the outcomes required for these vital services. Whilst bidders submitted acceptable and in some instances good method statement responses, in the areas of critical importance to the council (partnership working and user experience) the responses tended to only met the minimum requirements. The tendered submissions therefore failed to sufficiently convince officers that the guaranteed quality assurance measures and approach to partnership working that are essential to delivering this vital service would deliver.
32. Although bidders obtained acceptable scores, for the reasons set out below the council considers that its interests will be best met over the coming years through not proceeding with the procurement and developing its own direct delivery service model.

33. The council is aware that a neighbouring borough with which it works closely in relation to integrated care services, undertook an external reablement procurement exercise in 2014. However following contract award the authority terminated the contract with the successful provider within months, as the quality and flexibility of the service on the ground did not meet that council's expectations matched against the tender submission. Similarly the council is also aware that there are other pilot reablement services using third party providers elsewhere in London that have ceased due to significant quality issues on the part of the provider.
34. The response from the market to this procurement has been more limited than was initially anticipated and hoped. While the reablement independent sector is still evolving, soft market testing prior to start of the procurement process indicated that it was reasonable to assume the tender would deliver a higher response rate of eligible ITT submissions than was actually received.
35. With so few submissions received to the tender, and the lack of any of the bidders demonstrating sufficiently robustly that they could deliver the service at the exemplary standard required, it was essential that the council considered whether it could be fully assured that a comprehensive value for money assessment could be made through comparison of just three bids.
36. It should be noted that the hourly rates tendered are at a level approaching those modelled against potential direct delivery costs. Given the specialist nature of reablement, it is reasonable for the council and the CCG to assess whether their joint objectives in this area would be better placed by delivering these services through a different and more integrated way.
37. Reablement services are at the fore of the on-going re shaping of the different but locally converging responsibilities of the NHS and the council in relation to supporting frail older and disabled people at home, as opposed to hospital or other forms of institutional care. The council increasingly requires the roles of RSWs and the reablement services to evolve very rapidly in response to changes in the local health and social care economy. In consideration of this and the outcome of this tender it is recommended that it is likely to be more effective to implement future changes through directly managing these services itself, rather than frequently re negotiating contractual terms with a third party organisation.
38. It should also be noted that the NHS already deploy a number of its own RSWs to work with externally commissioned workers in the current hospital discharge teams. The proposals in relation to direct delivery will be further developed in the coming months. Approval to proceed with an in house solution will be brought back to cabinet later this year through a gateway 1 report, in line with the council's constitution.
39. The current contracts for these services expire in June 2015 and to ensure continuity of service existing contracts will need to be extended in some form after this time in order to allow sufficient time to organise and successfully implement a direct delivery service.

### Plans for monitoring and management of the contract

40. The current contracts will continue to be robustly monitored by the council's commissioning and operational teams within the Children and Adult's Department.

### Identified risks for recommendations set out in the report

41. The main risks in relation to the recommendations contained in the report are set out below

No.	Risk	Risk Level	Mitigating Action
1.	The council may be challenged on its decision not to award contract	Low	<ul style="list-style-type: none"> <li>The tender documentation is quite explicit that the council can cease the tender exercise at any stage at its absolute discretion.</li> </ul>
2.	Reputational risk with the sector at a time when the council is going out to procure other services	Medium	<ul style="list-style-type: none"> <li>Make clear to the sector the particular issues in relation to reablement contracts with regards to joint working with the NHS and integrated working that are not so relevant for other services</li> </ul>
3.	Incumbent providers may be reluctant to continue with the services after June 2015	Low	<ul style="list-style-type: none"> <li>It is believed from past negotiations that there will be sufficient interest amongst the current providers to continue with these services for a time limited period after June 15</li> </ul>
4.	Incumbent providers will not invest in the service as required knowing that the extension would be time limited.	Low	<ul style="list-style-type: none"> <li>These issues would be addressed in any contract extension renegotiation</li> <li>The service model means that RSWs work with council/NHS professionals;</li> </ul>
5.	Long term costs need to ensure that value for money is achieved.	Low – medium	<ul style="list-style-type: none"> <li>These services are funded through money transferred from the NHS to the council, and the whole cost to the local health and social care economy of providers who are not fully able to meet the service requirements will be even greater (With delays on hospital discharge and increased admissions into care homes)</li> <li>Given the nature of reablement the difference between in- house and commissioned unit costs is less marked than for other services.</li> </ul>

No.	Risk	Risk Level	Mitigating Action
			<ul style="list-style-type: none"> <li>The direct financial costs to the council of managing a failing contract in the future could be considerable in relation to legal costs, officer time, procuring urgent alternative provision, increased admissions to residential/nursing care etc</li> </ul>

### Community impact statement

42. There is not thought to be any disproportional impact in relation to the following areas covered by the council equality agenda: Race, Gender, Age, Disability, Faith and Religion, Sexuality, Gender re assignment, Marriage and Civil Partnership and finally Child Care and Pregnancy.
43. The recipients of the service are overwhelmingly older people above pensionable age, who are also likely to be living with a disability or one or more chronic long term conditions. Both older people and younger disabled people overwhelmingly aspire to maintain their independence and live fulfilling lives outside of institutional care or hospital settings for as long as possible. These services help to deliver this aspiration.
44. The current providers hold acceptable equalities codes of practice and policies as part of their registration requirements with the CQC, and are compliant with the standards expected by the council .
45. It is noted that the majority of RSWs are women and disproportionately made up of women from BME populations. It is also noted that TUPE may apply to some of this workforce, if the council adopts a directly delivery position.
46. The council will consider any further equality implications which will include a fresh equalities analysis of any future direct delivery proposals when determining its final recommended course of action, which will duly be reported to cabinet.

### Economic considerations

47. The majority of RSWs tend to live locally, and therefore the continuation of the current contractual arrangements will not have a negative impact upon the local economy and continue to provide social value within the borough. Economic considerations will be taken into account when considering alternative options.

### Social considerations

48. The incumbent providers have a satisfactory track record in delivering services to a diverse group of service users that would continue until the new service model is implemented.



### **Environmental considerations**

49. The current providers have demonstrated an acceptable green policy that will continue until a new service model is set in place. The majority of RSWs use public transport to travel between service user visits and the providers are expected to use electronic mail and use a database for resources as far as possible in order to eliminate the unnecessary use of paper.

### **Market considerations**

50. Nationally councils are still piloting various different service models to deliver reablement with many councils providing in-house services.

### **Staffing implications**

51. This procurement was resourced from within existing staffing and resource compliment.
52. Any future staffing implications with regards to a direct delivery option will be fully considered and assessed before final recommendations are put before cabinet.

### **Financial implications**

53. Continuity of the service may dictate that the current contracts be extended for up to 12 months whilst new arrangements are being made. Such an extension of the current contracts could be met from within the existing budgets and will require formal approval through a report to the appropriate decision maker in line with the council's constitution.

### **Investment implications**

54. N/a

### **Legal implications**

55. Please see concurrent from the Director of Legal Services below.

### **Consultation**

56. Consultation took place to inform the procurement plan as set out in the original gateway 1 report, which included views obtained from Children's and Adults' commissioning, operational, finance officers, procurement and legal alongside NHS colleagues.
57. The council will continue to work closely with these partners in developing its direct delivery approach. The NHS within this context being most notably the Clinical Commissioning Group and Guys and St Thomas's (GST) Community Services as well as Kings and GST Acute Trusts and the SLIC Programme Operations Board.
58. The council has also sought the views of the Older People's Partnership Board on its general approach to reablement and the Better Care Fund, which has helped to inform its future approach.

**Other implications or issues**

59. None

**SUPPLEMENTARY ADVICE FROM OTHER OFFICERS****Head of Procurement**

60. This report is seeking agreement to cease the procurement and not award the Reablement contracts.
61. Following approval of a GW1 report a procurement process has been carried out with the intention of awarding two contracts. An extensive evaluation of the bids concluded that full satisfaction in delivering the required outcomes of the service could not be reached through this procurement. The report explains that the response from the sector was more limited than initially anticipated and therefore a comprehensive quality and value for money assessment could not be made.
62. The report describes that the future delivery of the services will be explored. To allow time to complete an options appraisal and subsequent implementation, continuity of the service for the interim period shall be covered by entering into single supplier negotiations with the incumbent providers.

**Director of Legal Services**

63. This report seeks decisions relating to the ceasing of the procurement for reablement services and negotiations for interim provision as further detailed in paragraphs 1-4.
64. As a public body the council has a general unfettered discretion to make and change policies, as long as they do so within legislative powers, and act fairly and reasonably, taking into account all relevant considerations and recording the reasons for the decision. In terms of a procurement decision, the EU Regulations do not impose any restrictions on a contracting authority's discretion to abandon a contract award procedure up until the point of award of contract (with the only requirement that the council is obliged to notify tenderers and issue a cancellation notice).
65. The council also included a specific reference in its invitation to tender, allowing the council to cancel the tender process at any time prior to award. However due to the stage at which this decision is being made (at the end of the evaluation process) it is necessary to consider the possibility of challenge to the council's decision. Further details of this are noted in the closed report, but in summary the wording of our invitation to tender, and recent case law supports the decision of public authorities to cancel procurement processes. As noted in the report, there are a number of justifications for not proceeding with this award which support the decision to cease this process.
66. Contract standing order 4.1.3 requires that any decision to bring a service (which was previously externalised) in-house is subject to the approval of a gateway 1 report. This will be brought to the cabinet for approval later this year.

### Strategic Director of Finance and Corporate Services

(reference FC14/052)

67. The strategic director of finance and corporate services notes the recommendations in this report to:
- cease the procurement of reablement contracts
  - enter into single supplier negotiations with the current providers for short-term interim contracts that will ensure continuity of service
  - explore a directly delivered reablement function.
68. The interim contracts are anticipated to take effect from 01/07/2015. The costs therefore fall into the 2015/16 budget which was agreed by council assembly on 25 February 2015. It is important that all expenditure and budgets are monitored carefully to ensure the budget is not exceeded.
69. The estimated costs of the service from 2016/17 onwards are to be met from the council's general fund budget, which is subject to annual agreement by council assembly. The council faces further cuts in its funding from government in 2016/17.

### Director of Human Resources

70. N/a

### BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Southwark Ethical Care Charter	Children and Adults Commissioning Southwark Council 160 Tooley Street London SE1 2QH	Andy Loxton 020 7525 3130
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/documents/s47493/Report%20Integrated%20Community%20Support.pdf">http://moderngov.southwark.gov.uk/documents/s47493/Report%20Integrated%20Community%20Support.pdf</a>		
Reablement Gateway 1 Report	Children and Adults Commissioning Southwark Council 160 Tooley Street London SE1 2QH	Andy Loxton 020 7525 3130
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?id=4044">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?id=4044</a>		

### APPENDICES

No	Title
Appendix 1	Invitation to tender methodology

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Dora Dixon-Fyle, Adult Care, Arts and Culture	
<b>Lead Officer</b>	Jonathan Lillistone, Head of Children's and Adults	
<b>Report Author</b>	Andy Loxton/Wayne Warwick, Children's and Adults' Services	
<b>Version</b>	Final	
<b>Dated</b>	5 March, 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Head of Procurement	Yes	Yes
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate	Yes	Yes
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	5 March 2015	

## Reablement and Neuro-rehabilitation ITT evaluation methodology

### 1.1 Quality Criteria

The Criteria for the quality evaluation is contained in the Table below:

Evaluation Criteria	Sub Criteria	Criteria Overall Weighting	Sub- criteria weighting	Question Reference
Mobilisation	Approach to Mobilisation	5	5	1
Service Delivery	Approach to delivering the service and ability to achieve outcomes	20	20	2
User experience	Approach to delivering relationship centred care	12	5	3
	Ability to minimise duplication for Service Users		7	4
Partnership Working	Approach to delivering Shared goal setting and support planning	27	12	5
	Approach to Cross discipline working		3	6
	Ability to effectively transfer work to other services		3	7
	Approach to support the Council's commitment to the Ethical Care charter		9	8
Resources	Staff development and training	16	8	9
	Safeguarding		8	10
<b>Total</b>		<b>80</b>	<b>80</b>	

### 1.2 Quality Scoring

Scoring of Tenderers responses for the purposes of Quality will be based on the following scale shown in table 2 below:

**Table 2**

Assessment	Score	Basis of score
No Submission	0 points	No submission was made or answer given to the question or part there of.
Very Poor	1 points	Some information provided but unacceptable, unsatisfactory response that does not comply or meet any requirements.

Assessment	Score	Basis of score
Poor	2 points	Only some of the requirements met.
Acceptable	3 points	A satisfactory response which meets the basic requirements, or is capable of meeting basic requirements with minor adjustments prior to the start of the contract.
Good	4 points	Good response, which meets all requirements and gives some confidence.
Excellent	5 points	Outstanding response, exceeds expectations, adds value, shows innovation and creative solutions and gives full confidence.

- 1.3 A maximum score of 80 can be achieved for responses to the quality evaluation criteria contained in Table 1.
- 1.4 The response to each question will be scored from 0 to 5 using the guidance in the Table 2 above. These scores will then be divided by the maximum score available (5) and then multiplied by the sub weightings shown in Table 1 for each element. A final quality score (out of 80 points) is achieved by adding all weighted scores together.
- 1.5 Tenderers evaluation scores will be based on their written responses to method statements 1 to 10.
- 1.6 The Council reserves the right to clarify this (and its veracity and accuracy verified) by the following methods:
- Clarification meetings and by responses to clarification questions raised by the Council (if any)
  - Validation visits (this will involve a small team of Council officers with the expertise of these services visiting the Provider's premises where the service is to be operated from in order to validate Provider responses to any chosen method statements 1-10)
  - Obtaining references from previous or current contracts.
- 1.7 The initial score will be based on the evaluators' review of the Tenderers' response document and may be updated following further clarification of the response ascertained in the other methods outlined above. The final scores therefore may differ from the initial scores to reflect the full evaluation process undertaken by the panel. Overall scores will be calculated to ascertain the Tenderer's overall percentage score.
- 1.8 In respect of all method statement responses, there must be a clear distinction between clarifications and omissions; this process is not about providing an opportunity to address something that has not been included in a tender, as this would be unfair to other Tenderers.
- 1.9 The Evaluation Panel shall conduct a 'consensus scoring process' where moderation of the scores awarded during the exercise will take place. The moderation shall give regard to any variance in the scores between the evaluators, together with the subsequent assessment following any clarification obtained from the Tenderer. A consensus score will be agreed by the evaluators for each of the evaluation criteria.

## 1.10 Threshold for Quality Evaluation

The Council requires submissions received to be of a consistently good level of quality across all areas so Tenderers will be required to achieve a minimum score of 3 in all 10 questions. Quality scores for submissions meeting or exceeding the thresholds set for quality will be taken forward to the third stage of the process.

## 2 Stage 2 – Price Assessment

- 2.1 A 20% weighting for price will apply to the two reablement contracts (North and South). The prices submitted for Neuro rehabilitation will not be scored but will be reviewed at Stage 4 of the process.

A	Contract Price (20%)	Weightings
1	Price per hour for the North of the Borough	20%
2	Price per hour for the South of the Borough	20%
3	Price per hour for the neuro-rehabilitation service	Not weighted but reviewed at stage 4

### 2.2 A – Contract Price for reablement Contracts Price scoring approach (20%)

To evaluate the tendered price the following calculation will be applied:

The lowest 5 bids will be averaged and then uplifted by 20%. Bids above the calculated acceptable price level will be deemed unaffordable and automatically eliminated.

The lowest bid will receive the top weighted score of 20. The remaining bidders (who have not been excluded) will receive a pro rata score relative to the difference between the bid price and the averaged lowest five bids+20% as set out below.

	Weighted score	Evaluation	Sum
A1	Weighted score for the North contract	$\frac{((\text{Average of the lowest five bids} + 20\%) - \text{Tendered Bid}) \times 20}{(\text{Lowest 5 Bids} + 20\%) - \text{Lowest Bid}}$	A1
A2	Weighted score for the South contract	$\frac{((\text{Average of the lowest five bids} + 20\%) - \text{Tendered Bid}) \times 20}{(\text{Lowest 5 Bids} + 20\%) - \text{Lowest Bid}}$	A2

### Worked example:

Bidder	Cost	Difference	Score/20
Bidder	£25.78	-£7.98	0.00
Bidder	£22.05	-£4.25	0.00
Bidder	£21.45	-£3.65	0.00
Bidder	£19.84	-£2.04	0.00

<b>Bidder</b>	<b>Cost</b>	<b>Difference</b>	<b>Score/20</b>
Bidder	£16.55	£1.25	6.65
Bidder	£15.55	£2.25	11.97
Bidder	£15.48	£2.32	12.34
Bidder	£14.90	£2.90	15.43
Bidder	£14.20	£3.60	19.15
Bidder	£14.04	£3.76	20.00
<b>Avg lowest 5</b>	<b>£14.83</b>		
Plus 20%	£17.80		

### 2.3 B: Sustainability – Breakdown of the Hourly Rate

- 2.4 All prices submitted need to be sustainable for the life of the contract. To test this, the Council intends to carry out an assessment of the price breakdown information gathered in the pricing schedule. This information will be cross referenced with the Tenderers proposals contained in the method statements.
- 2.5 Evaluation of the “cost breakdown of the hourly rate” will be undertaken to ensure the service provided will meet the specification requirements for Southwark Ethical Care Charter (including the London Living Wage) and provide confidence in the financial robustness of the tendered value to reduce the risk of Provider failure arising.
- 2.6 The price evaluation panel will review the proposed financial breakdown of costs as provided in the “Pricing Schedule Spreadsheet” as part of its robustness and efficiency evaluation of the Tender to ensure they can meet the needs of the service throughout the life of the contract.
- 2.7 This section is a PASS/ FAIL section and failure in this section will mean a failure of the whole Tender evaluation. In order to Pass this section, Tenderers will need to receive a score of 4 (medium level of confidence) or more in this section.
- 2.8 Applicant’s responses to this section will be scored as follow

<b>Score</b>	<b>Explanation</b>
5	High level of confidence in the information provided through reviewing the hourly cost breakdown against the criteria set out below.
4	Medium level of confidence in the information provided through reviewing the hourly cost breakdown against the criteria set out below.
3	Some confidence in the information provided through reviewing the hourly cost breakdown against the criteria set out below.
2	Low confidence in the information provided through reviewing the hourly cost breakdown against the criteria set out below.
0	Failure to provide the information required to allow the review.

- 2.9 When assessing confidence the Price Evaluation Panel will consider factors such as:



- Ensuring that the direct staff rate per hour covers London Living Wage costs, on costs and Southwark Ethical Care Charter costs;
- The Panel's knowledge of current market pricing.

2.10 Where Tenderers initially receive a score of 3 or less in this section, they will be given the opportunity to respond to the Council's concerns at a clarification meeting. The Council will supply a list of its key concerns prior to this meeting. Responses to clarifications raised will be reviewed and may affect the final score for this section B.

2.11 All price submissions passing the sustainability review will go forward to the next stage in the process

### **Abnormally low bids**

2.12 Notwithstanding the scoring methodology referred to above, Bidders are advised that the Council will scrutinise very carefully any Tender that contains a Price which appears very low (having regard, amongst other things, to the Prices submitted in the other Tenders received). In this regard, Bidders' attention is drawn to the Council's power under regulation 30 (6) of the Public Contract Regulations 2006 (as amended) to disregard/reject any Tender that is abnormally low.

## **3 Stage 3 - Ranking and recommendation for North and South contracts**

3.13 At this stage, scores achieved for both quality and price will be combined and submission total scores will be ranked. This process will happen for both reablement contracts North and South. The highest ranked Tenderer for each contract area will go forward to the next stage of the process.

3.14 Only one contract shall be awarded per Tenderer. In the event that the same Provider is ranked highest for both contract areas the award recommendation will be made on the best overall value for the Council.

3.15 **NB.** The best overall value will be based on the best cost combination.

North Contract (lower valued contract)	South Contract (higher valued contract)
Tenderer A 84	Tenderer A 87
Tenderer B 80	Tenderer D 85
Tenderer C 78	Tenderer C 84
Tenderer D 75	Tenderer B 80

3.16 In the example above comparisons will be made on Tenderer A for North and Tenderer D for South against Tenderer A for South and Tenderer B for North. The combination that produces the best overall value for the Council will be recommended for award.

## **4 Stage 4 - Recommendation for Neuro Rehabilitation contract**

4.1 At this stage the Neuro Rehabilitation prices of the two successful providers will be reviewed and the cheapest provider for this element will be recommended for award of the Neuro Rehabilitation contract.

<b>Item No.</b> 17.	<b>Classification:</b> Open	<b>Date:</b> 17 March 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 – Procurement Strategy Approval: Management of the Council’s Leisure Facilities	
<b>Wards or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Barrie Hargrove, Public Health, Parks and Leisure	

**FOREWORD – COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR PUBLIC HEALTH, PARKS AND LEISURE**

Over the last few years we have invested more than £50 million in our leisure centres. This includes major refurbishments at Dulwich, Camberwell and Surrey Docks Watersports Centre, upgrades at Peckham Pulse and Seven Islands as well as a brand new centre for Elephant and Castle and another planned for Canada Water. This has resulted in a substantial increase in uptake of the service with over 1.4 million visits last year compared to just under 900,000 in 2010/11. We expect to see further increases with the introduction of the free swim and gym pilot in May this year.

Our leisure centres are currently managed though an external contract that expires in June 2016 and a thorough examination of the options has been undertaken to identify the best approach to securing new management arrangements for when the contract expires. This report sets out in detail the relative advantages of both in-house and external management, examining the implications for finance, staffing issues, marketing and communications and most importantly, service development and quality. Consideration of the options has included carrying out a soft market testing exercise to gauge interest in managing our services and the assistance and advice of experts in the leisure field in identifying market trends. The soft market testing exercise revealed strong interest in managing our service as well as cost advantages to the Council in taking this approach. The report identifies other advantages in taking this approach, including economies of scale in implementing new services and in purchasing equipment, easy availability of expert technical advice and wider career development opportunities for staff wishing to follow a career in the leisure industry and access to specialist leisure industry marketing expertise. Based on the findings of this work, it is recommended that the Council goes out to tender to secure external management.

The new contract will bring opportunities to further develop our leisure provision, to continue to improve service quality, to secure greater social value and to encourage greater take-up by people who would most benefit from participation and who are currently under-represented. These issues will be addressed through a robust and demanding service specification that delivers excellent service and is compatible with the Fairer Futures principles and with clear and effective monitoring processes in place to ensure delivery.

**RECOMMENDATIONS**

1. That the cabinet approves the procurement strategy outlined in this report to go out to tender for the management of the council’s leisure facilities from 21 June 2016 for

a period of seven years with an option to extend for a period or periods of up to a further seven years.

## **BACKGROUND INFORMATION**

2. The council's leisure management contract with Fusion Lifestyle will expire in June 2016 and a decision needs to be taken on future management arrangements for the council's leisure centres.
3. On 7 April 2000 the council, entered into a grant agreement with Southwark Community Leisure Limited (SCLL) for the management of the council's leisure centres. SCLL has since changed its name to Fusion Lifestyle (Fusion). Fusion Lifestyle is a registered charity.
4. On 13 February 2007, the executive received a report on the Leisure Centre Investment Strategy. The council decided to invest £12.3 million of its own capital to refurbish the borough's existing leisure centres. In light of this decision, the Executive asked officers to evaluate all options for management of the leisure centres and report the findings back to the Executive.
5. On July 24 2007 the executive approved the proposal in the Gateway 1 report "Procurement Strategy for Future Operational Management of Leisure Centres" to negotiate a new arrangement with Fusion as sole provider of management of the council's leisure services based on a minimum of five years and a maximum of ten years and then go to the market of service providers at a future date.
6. On the 21 July 2009 the executive approved the Gateway 3 Leisure Investment and Management Programme: Appointment of Leisure Management Contractor to vary the existing contract with Fusion from 31 October 2009 to 20 June 2016.
7. The leisure management contract has never been commercially tendered.
8. The current contractual arrangements involve a fixed management fee being paid to Fusion in return for delivery of a service specification which includes:
  - Day to day operation and management of the leisure centres
  - Service development to increase regular participation in physical activity
  - Health and safety management
  - Maintenance – responsibility for all repairs and lifecycle
  - Marketing – promoting the service to maximise use, including to people from our diverse communities, people on low income and other specific groups of customers, as well as raising the profile of the facilities
  - Customer care.
9. The current agreement covers the following leisure facilities:
  - Camberwell Leisure Centre
  - Dulwich Leisure Centre
  - Peckham Pulse Healthy Living Centre
  - Seven Islands Leisure Centre
  - Southwark Park Sports Centre
  - Surrey Docks Water Sports Centre.

10. The Elephant and Castle Leisure Centre was included in the agreement until June 2012 when partial termination of the agreement was arranged to enable its redevelopment which will be completed this summer. The council is currently in discussion for the centre, now The Castle, to be bought back into the agreement with Fusion until the contract expires in June 2016.
11. Over the last several years, the council has invested more than £50 million in its leisure facilities including a brand new centre at the Elephant and Castle, due to open in 2015; total refurbishment of Camberwell and Dulwich leisure centres and Surrey Docks Watersports Centre and a range of works at Peckham Pulse and Seven Islands Leisure Centre. Southwark Park Athletics Track will be brought back into use in 2015 and there are also plans for a major new leisure centre at Canada Water to replace Seven Islands. £2 million will be invested in the current Seven Islands centre to sustain and improve the service pending the delivery of the new facility.
12. This investment has resulted in a very significant increase in the use of Southwark's leisure centres which now receive nearly 1.4 million visits per year compared to just over 900,000 in 2010/11. The much improved condition of the building stock, provision of new facilities and increased uptake in use combine to make the Southwark contract very attractive to the leisure market and potential providers.
13. Following this investment, the council is keen to further increase the levels of use and to ensure that the service contributes strongly to the health agenda. In view of this, the council is committed to introducing a free swim and gym offer to all residents. This will be piloted with targeted groups from May 2015, with an all residents general offer being introduced from July 2016 – after the life of the current contract.
14. Since 2009, the leisure market has changed considerably. There are now several examples of contracts where the council either receives a fee from the contractor and the contractor retains all or an agreed share of the income, or contracts are managed with a nil or very low subsidy.
15. This report seeks the approval to go out to tender for the management of the following leisure facilities;
  - Camberwell Leisure Centre
  - Dulwich Leisure Centre
  - Peckham Pulse Healthy Living Centre
  - Seven Islands Leisure Centre
  - Southwark Athletics Centre
  - Surrey Docks Water Sports Centre
  - The Castle
  - Geraldine Mary Harmsworth Sports Facility.

### **Options for procurement route**

16. The options that have been considered are;

Option one – Internal service – The council to directly deliver leisure services.

Option two – External contract – The council to competitively procure a stand alone contract.

17. The relative merits of options one and two are explored in paragraphs 23 to 48.
18. Consideration was also given to a shared service provision whereby the council would align with one or more of the neighbouring boroughs to undertake a joint procurement process. A shared service option with other local boroughs was also considered. However this was discounted as the closest boroughs to Southwark are already in long term contracts with external contractors as shown below:
  - Lambeth – Greenwich Leisure Limited (GLL)
  - Lewisham – Fusion
  - Tower Hamlets – GLL
  - City Of London – Fusion.

### **Summary of the business case/justification for the procurement**

19. Taking into account the capital investment in the leisure stock in recent years, the introduction of the free swim and gym scheme and the current leisure contract climate, a strategic assessment of the role of the leisure management contract has been completed.
20. The assessment process included the following:
  - An in-depth analysis by officers of the feasibility of bringing these services in-house.
  - A survey to determine the status of existing leisure contract arrangements across London. The information gathered is shown in Appendix 1.
  - A soft market testing exercise was undertaken to gauge industry views on issues such as the implementation of the free swim and gym scheme, length of contract, maintenance responsibilities and inclusion of London Living Wage.
  - Review of neighbouring authorities to understand their future plans to determine any potential joint procurement opportunities.
  - Advice from a leading sports consultancy on leisure contracts, procurement and the current leisure market.
21. The review included consideration of the emergence of a number of key factors including:
  - The council's leisure investment programme and its impact on the marketability of the contract
  - The change in the leisure market since 2009 with contractors now offering to pay to manage centres
  - The introduction of the free swim and gym scheme across all sites
  - The future management of leisure services within parks
  - The benefits of internalising the leisure service
  - Who is best placed to provide a universal sports booking service across parks and leisure services
  - The drive to achieve best value for the council and customers.
22. The key objectives in considering the procurement strategy were:

- Sustained service improvement (including greater innovation and community involvement);
- Greater council influence on the service policy and design (i.e. what it looks like and how it is delivered);
- Improved cost effectiveness and efficiency; the leisure portfolio is completely different as a result of the investment programme. This has positively altered its attractiveness within the leisure market;
- Transparency through more open book accounting;
- Flexibility to make changes to the service as necessary.

## **KEY ISSUES FOR CONSIDERATION**

### **Facilities management**

23. Maintenance is a key issue in managing leisure facilities as it impacts on health and safety, legal obligations and customer care and satisfaction.
24. Where a service is managed by an external contractor, it is possible to pass some of the risk and responsibility for these matters from the council to the contractor. There are a range of options for this including full repairing responsibility sitting with the contractor or a landlord/ tenant split with a financial threshold for responsibility for each side.
25. An in-house arrangement would entail full maintenance responsibility and costs being held by the council.
26. Proper maintenance of leisure facilities is a complex issue requiring specific and specialist expertise. External contractors likely to be interested in the Southwark contract will already manage a number of contracts in other authorities and will have access to existing technical expertise and economies of scale and scope. Specific skills and knowledge in relation to the management of pools, specialist plant and equipment are required. This expertise is generally secured by means of sub-contracting with a third party, giving both flexibility and access to a range of experts rather than engaging a particular employee. Whilst these arrangements are advantageous to an external contractor, it means that the expertise cannot be TUPE transferred to the council should the service be brought in house.
27. There are similar issues in relation to health and safety. With in-house arrangements all risks are owned by the council. External management of the service would transfer legal and financial risk to the contractor, but reputational risk would remain with the council. Whilst there is significant health and safety expertise within the council, specialist leisure knowledge is required to discharge this legal obligation appropriately (e.g. pool plant operation). This expertise would need to be developed within the council should in-house arrangements be established for future management of the contract. An external contractor would have easy access to this type of expertise since they will be required to discharge health and safety responsibilities across a range of existing contracts and will be able to take advantage of economies of scale and scope.

### **Finance – Income**

28. Leisure centres of the calibre of those in Southwark can expect to generate substantial amounts of income. The decision to implement free swim and gym means that there will be less income than would have been anticipated should all services have remained chargeable.

29. Soft market testing shows that in spite of the introduction of free swim and gym an arrangement within the current budget should still be possible.
30. A service managed in-house means the council would benefit from income made but also take the risk on income not achieved. External management of the service would mean that the council has the comfort of an agreed contract price which gives the ability to budget and plan accordingly. The contractor would then carry both the risk and opportunity related to income. With these arrangements, the council could then choose to extend the free swim and gym offer if it had sufficient resource and wished to do so.
31. Although the opportunity to generate income is reduced due to the implementation of free swim and gym for all residents, it is planned that other services will remain chargeable. In addition to this, 22 per cent of the current membership consists of people who do not live in Southwark and who will therefore not be eligible for the free offer. The Castle, due to open later this year is expected to attract additional out of borough customers due to its proximity to Lambeth, the very high number of people studying in the area and the excellent public transport links.

#### **NNDR**

32. Charitable trusts benefit from NNDR relief. The exemption from NNDR was a major factor in the original externalisation of the service but is now less significant as the council benefits from 30% of the payments. In spite of that, there would still be net costs to the council for paying full NNDR across the current leisure provision estimated at least £250k per annum. This figure is based on the NNDR valuations that are likely to need revising due to the level of investment in the current leisure facilities. For example they do not include the new Castle Centre. This will most certainly result in an increase in the estimated net cost to the council.

#### **VAT**

33. The council would be liable for greater VAT payments than under the current arrangement.

#### **Utilities**

34. Leisure centres make significant use of electricity, gas and water. Risks relating to consumption are held by the contractor where there are external management arrangements and with the council for in-house managed services.
35. There are also sustainability issues linked to the use of utilities. The leisure centres' carbon emissions already count towards the council's tonnage so there is no advantage to either in-house or external management in this respect. In-house arrangements would give the council direct control over the use of utilities whilst an external contractor would be set targets with deductions for failure to deliver carbon reduction plans outlined in their method statements.

#### **Equipment and buying power**

36. Leisure services that are managed externally are better positioned to purchase leisure equipment at more favourable rates. This is generally because of the size of their operation (up to 100 sites or more) coupled with the amount of equipment they

tend to purchase. They are able to negotiate better agreements as regular repeat clients. A portfolio of a few sites does not tend to achieve this.

### **Staffing issues**

37. Where services are managed externally, the contractor has full responsibility for staffing matters. This includes recruitment and selection, training and disciplinary matters but also administrative issues including payroll, pensions and other human resources matters.
38. The leisure service was contracted out 15 years ago. The council now has no staff with recent experience of operational management of leisure centres. It is not certain that expertise held by the current providers would TUPE across to an in-house arrangement as these staff may either belong to a central office team, or as recent experience has shown, may be reluctant to leave their private sector employer to work in a single authority. This is largely due to the wider range of opportunity available in a larger company that may be running several contracts.
39. The flexibility of external contractors also provides opportunities for specialist staff to benefit from development, due to the ability to move staff between contracts to gain experience in different types of environment and in different roles. The scope for this in a single authority is much more limited. This creates difficulties in attracting or retaining specialist staff to an in-house service where there are only limited opportunities for this type of development. There is then a risk that appropriate management would be difficult to retain or recruit to an in-house arrangement.
40. A large workforce is required to manage the leisure service due to there being several facilities open long hours with a wide range of services on offer. There are also legal minimum staffing levels for some activities such as the swimming pools. Approximately 120 FTE staff are employed on the Southwark contract, representing up to 200 individuals as many staff work part-time due to the nature of their duties. Bringing the leisure service back in house would require a significant increase in the capacity of the council's human resources service to deal initially with a complex TUPE transfer, but also to support the on going recruitment, selection, management and development of staff. It is known that the leisure industry has high staff turnover, particularly in London where there are many prospective employers. This results in significant amounts of recruitment being needed each year with attendant costs and calls on support time.
41. Should the leisure service be brought back in house, current employees would be eligible for TUPE transfer back to the council. As well as a one off cost to carry out a TUPE transfer, the council would be responsible for additional pension contributions for staff transferring.
42. The recent soft market testing exercise was conducted on the basis that any new contractor would be required to ensure London Living Wage was paid to all employees and that there would be no zero hours contracts. Despite this, respondents have still said that they can provide the service at either the same cost as the current contract or possibly at a lower cost.



### **Service development and quality**

43. An external contractor may have up to 100 leisure centres in their portfolio, enabling them to identify trends and new demands that arise in some contracts and which can be successfully rolled out to others.
44. Customer expectations in the health and fitness market are high, particularly in London, and there is a vast amount of competition from commercial providers. Health and fitness is the contractor's core business, enabling them to focus on developing the service, introducing innovation and maximising income.
45. For a portfolio of facilities that has undergone significant investment and improvement it is essential that the quality of service delivery matches the quality of the facilities provided. Whichever option is taken, the staff responsible for dealing with customers and cleaning will be subject to TUPE, continued improvements in quality will need to come from culture change and better management of services. Given the current competitive state of the leisure market, providers are now focused on service quality to separate them from their competitors so a competitive tender is expected to result in higher quality. Although it would be possible to achieve this improvement with in-house arrangements that would require the retention and recruitment of the right management skills into the council: the challenges relating to this are set out above under staffing issues.

### **Marketing, communications and sales**

46. A service managed by an external contractor will have access to a central communications team with specific leisure industry expertise developed over several years. The council has limited expertise in this area and the communications team is generalist and required to cover the whole range of council services. This includes digital marketing where external providers have complete freedom to present their service offer so as to maximise impact whereas the local authority has limited scope for this as their website and other e-comms have a different focus.
47. The council has seven leisure centres across which it can market special offers and new services. An external contractor with several authorities and many leisure centres is able to deliver marketing and promotional schemes across their whole portfolio, taking advantage of the scale of their operation to secure reduced costs for marketing materials and campaigns.
48. Even with the implementation of free swim and gym, the service will need to sell memberships to people who wish to use the facilities throughout the week or to use facilities and services not included in the free offer. This requires extensive management of the sales teams and the sales process.

### **Market considerations**

49. There is an existing, mature and competitive market for leisure management services from a range of specialist contractors currently providing services for London authorities.
50. The council has been approached by a number of specialist contractors who have expressed great interest in the contract and facilities.

51. The council's leisure management contract has never previously been market tested or competitively tendered.
52. A recent soft market testing exercise identified interest from three of the main leisure management contractors, all of whom are established as charitable trusts.
53. The soft market testing included asking respondents key questions about their expectations of a management fee for a contract that will include the requirement to run free swim and gym for all residents at the times suggested in the cabinet report, to implement London Living Wage and to give assurances that there will be no zero hours arrangements for those employed on the contract.
54. The response from the market has been a positive one. The contractors explained that on the basis of the information given it could be feasible to deliver a contract within the current budget including London Living Wage and the free swim and gym scheme as set out in the cabinet report. Further details and understanding of liabilities, TUPE and future capital investment by the council would be required.
55. Other key questions included preferred length of contract term, maintenance responsibilities and experience of running free access schemes in their other contracts
56. The operators confirmed that their preference would be a contract term of ten years and would be keen to explore the possibility of a longer term, for example a ten year contract with option to extend for five years. This would provide greater scope for investment in the service by the contractors themselves and for them to secure a reasonable return.
57. For maintenance responsibilities the contractors were prepared to be flexible in their approach. For example, accepting a contract with a full repairs and maintenance arrangement or possibly splitting the responsibilities on the older centres.
58. When asked about experience in providing free access initiatives in their other contracts, all of the contractors stated that they had experience of free swimming initiatives, particularly the scheme funded by the Department of Culture Media and Sport in 2009 along with a number of other more targeted free access initiatives.

### **Summary**

59. Examination of the above issues indicates that the most advantageous approach to securing a high quality leisure service at the lowest cost, is for the leisure management contract to be procured externally.
60. There are clear financial advantages to taking this approach, including those related to NNDR and VAT, whilst an external arrangement will also bring economies of scale not available to the Council when procuring equipment and highly specialised services. An external contractor can also offer more to specialist staff in terms of career progression and is therefore more likely to retain these staff than is the council.
61. The soft market testing demonstrated that it is possible to improve staff terms and conditions and to deliver the council's free swim and gym programme at either the same cost as the current contract or possibly at a lower cost, offering opportunities to extend the programme if Members so wished.

### Proposed procurement route

62. The proposed procurement route is for the council to carry out a competitive tendering exercise by way of an EU tendering process to seek a minimum of five tenders.

### Identified risks for the procurement

63. The table below identifies a number of risks associated with this procurement strategy and controls to mitigate the risks:

**Table 2 – Risks**

Risk No.	Risk identification	Risk level	Mitigating action
R1	Failure to provide value for money	Low	Competitive process that will drive the achievement of the procurement objectives such as a contract within the current budget Benchmarking process against other leisure contracts
R2	No contract in place on 21/06/2016	Low	Project management of procurement process
R3	New procurement legislation	Low	Obtain advice from legal procurement experts on flexibility in early stages of the legislation.
R4	Lack of project resource	Low	Legal and leisure specialist advice has been procured. Project Board in place, project plan in place
R5	Insufficient competition	Low	Soft market testing indicates a high level of interest in the contract
R6	Contractor ceases to trade or suffers financial difficulty during process	Low	Ensure appropriate vetting procedure as part of procurement process, ensure appropriate bond or other protection is agreed in contract
R7	TUPE process complications due to scale of service	Low	Early engagement with HR, legal and current contractor
R8	Inability to agree information provision with incumbent contractor	Med	Early engagement with legal to prepare requirements, earliest possible engagement with contractors setting out clearly requirements, contingency/escalation plans to be put in place
R9	Problem with meeting the council's social value objectives	Low	Early clarification of council's requirements. Inclusion of requirements in tender docs. Appropriate weighting in evaluation scoring.
R10	Inability to incorporate extension of free swim and gym scheme	Low	Identify possible extension options, require tenderers to price up options as part of tender process

### Key/Non-Key decisions

64. This is a strategic procurement exercise and as such is a key decision.

## Policy implications

65. The leisure contract will have cross cutting benefits in promoting good health and social cohesiveness. It will be the vehicle for delivering the council's Fairer Future promise of access to free swim and free gym facilities.
66. The contract will also contribute to achieving a number of the other Fairer Future promises such as value for money and contributing to Southwark becoming an age friendly borough, through schemes that ensure all residents, no matter what their age have access to excellent leisure facilities.
67. The contract procurement process will also be used to select a contractor that adopts the Fairer Future principles in the delivery of the services.
68. This report has also taken into account the principles of the recent Overview and Scrutiny report on procurement.
69. This procurement project is in line with the aims of the council's Physical Activity and Sport Strategy 2014-17 in relation to providing a new and enhanced leisure contract that maximises use of the facilities through excellent management and programming resulting in increased participation in physical activity.
70. Southwark's emerging Health and Wellbeing Strategy has identified the following priorities:
  - Giving every child and person the best start in life.
  - Building healthier and more resilient communities and tackling the root causes of ill health.
  - Improving the experience and outcomes of care for our most vulnerable residents and enabling them to live more active and independent lives.

**Table 3 - Procurement Project Plan (Key Decisions)**

<b>Activity</b>	<b>Complete by:</b>
DCRB Review Gateway 1	12 Feb 2015
CCRB Review Gateway 1	19 Feb 2015
Notification of forthcoming decision - Cabinet	7 March 2015
Approval of Gateway 1: Procurement strategy report	17 March 2015
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	31 March 2015
Completion of tender documentation	March - June 2015
Publication of public advertisement	1 April 2015
Closing date for receipt of expressions of interest	1 June 2015
Completion of short-listing of applicants	30 June 2015
Invitation to tender	1 July 2015
Closing date for return of tenders	1 September 2015
Completion of any clarification meetings/presentations/evaluation interviews	1 November 2015
Completion of evaluation of tenders	1 Dec 2015
Forward Plan (if Strategic Procurement) Gateway 2	December 2015
DCRB Review Gateway 2	January 2016
CCRB Review Gateway 2	January 2016

<b>Activity</b>	<b>Complete by:</b>
Notification of forthcoming decision – despatch of Cabinet agenda papers	January 2016
Approval of Gateway 2: Contract Award Report	February 2016
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	February 2016
Alcatel Standstill Period (if applicable)	February 2016
Contract award	February 2016
Add to Contract Register	June 2016
TUPE Consultation period (if applicable)	March – April 2016
Place award notice in Official Journal of European (OJEU)	June 2016
Contract start	21 June 2016
Initial contract completion date	20 June 2023
Contract completion date – (if extension(s) exercised)	20 June 2030

### **TUPE/Pensions implications**

71. In the event of a change in contractor TUPE will apply.
72. As part of the procurement process and before the invitation to tender stage, the incumbent contractor will be required to supply relevant TUPE details listing those staff eligible for transfer. This information will be updated on a regular basis throughout the procurement period. Legal Services and Human Resources Service will be asked to provide any necessary advice and assistance.

### **Development of the tender documentation**

#### **Contract period**

73. There appears to be a trend towards awarding longer contracts. The soft market testing exercise identified that longer contracts are more attractive to contractors and may yield potential savings. The average length suggested by potential bidders was 15 years, including extensions.
74. The proposed contract period is seven years with an option to extend for a period or periods of up to a further seven years. This term is long enough to be attractive to would be providers and to secure both a good price and high quality.
75. The possibility of an extension period of up to seven years will incentivise the contractor to sustain high quality performance whilst protecting the council from the potential pitfalls of an overly long term. It will also give the flexibility to review provision including free swim and gym, enabling changes to be made to enhance or expand services.

#### **Contract form**

76. The new contract will include requirements for the following:
- Excellent quality including customer service, cleanliness and a pro-active approach to innovation
  - Flexibility to extend the council's free swim and gym offer over the life of the contract including requiring a costing model for possible future expansion of the scheme

- A strong commitment to delivering social value including as a minimum apprenticeships and employment of local people

### **Contract specification**

77. The specification will require delivery of the following key elements;

- Day to day operation and management of the leisure centres
- Service development to increase regular participation in physical activity
- Health and safety management
- Maintenance – responsibility for all repairs and lifecycle
- Marketing – promoting the service to maximise use, including by specific groups of customers and generally raising the profile of the facilities
- Excellent customer care
- Free swim and gym programme
- Social value requirements.

### **Advertising the contract**

78. The tender will be advertised in the OJEU, on Contracts Finder and through other relevant websites.

### **Evaluation**

#### **Pre qualifying questionnaire**

79. In response to the advert, organisations expressing an interest in tendering for these services will receive a Pre-Qualification Questionnaire (PQQ) designed to provide the council with the information necessary to assess their suitability to become a prospective service provider.

80. The selection process will consist of an evaluation of the following;

- Financial standing
- Technical knowledge
- Experience
- Capacity and ability
- References
- Health and safety
- Equal opportunities
- Environmental considerations.

81. An evaluation team will review the information provided for compliance and eligibility and a project board will oversee the process.

82. Up to five organisations who successfully pass the short-listing stage will be invited to tender.

### **Tender submissions and evaluation**

83. Tenders will be evaluated on both price and quality.

84. Returned tenders will be reviewed by an evaluation panel comprising suitably qualified officers reflecting the nature of the contract. The panel will initially review

for completeness and correctness of each of the bids and then proceed with the detailed evaluation.

85. The council standard price: quality ratio for evaluating tenders is 70:30. However, with very competitive financial bids expected it is important to ensure that standards of quality and delivery are maintained, it is therefore proposed to evaluate tenders using a minimum 60:40 price:quality ratio with quality thresholds set for all key method statements.
86. The panel will evaluate the tender submissions on the basis of both price and quality against a pre-determined model. Service statements will be assigned a weighting to reflect their relative importance and will include;
  - Financial and pricing
  - Extension of the free swim and gym scheme
  - Social value
  - Investment
  - Management and staff
  - Programming
  - Customer care
  - Training and development
  - Health and safety management
  - Health agenda and target groups
  - Increasing take up by people from diverse communities, people on low income and people from other specific groups
  - Community sport development
  - Statutory compliance, maintenance and lifecycle
  - Cleaning
  - Catering and vending
  - Compliance with the council's communications and marketing requirements including digital approach and stakeholder consultation
  - Booking systems and IT
  - Continuous improvement / innovation
  - Partnership working
  - Quality management systems and quality assurance such as QUEST and ISO 9001:2000
  - Sustainability, waste disposal and recycling
  - Mobilisation Plan
  - Risk management.
87. Tenderers will be advised of the price: quality ratio and the method statement weightings in the invitation to tender and contract documents.
88. The criterion will follow the most economic advantageous tender protocol.
89. Post tender interviews will be arranged for those tenderers who are deemed to be potentially suitable providers, as determined by the evaluation process. Prior to contract award, a pre-contract meeting will be arranged with the successful contractor.
90. A detailed evaluation report will be prepared and the officer recommendation included in the Gateway 2 report

### **Community impact statement**

91. The provision of this contract as set out in this report should only have an overall positive impact on the community, especially in terms of promoting healthy lifestyles, wellbeing, and improving public health. It is envisioned that the range of existing services will continue to be delivered, along with continuing user development work, and this should attract new users from all sections of the community.

### **Sustainability considerations**

92. The Public Services (Social Value) Act 2012 requires the council to consider a number of issues including how what is proposed to be procured may improve the economic, social and environmental well-being of the local area. These issues are considered in the following paragraphs which set out economic, social and environmental considerations.

### **Economic considerations**

93. It is anticipated that the contract will provide opportunities for local labour, securing local economic benefits.
94. The contract will require the leisure management provider to develop the following:
- Apprenticeship scheme
  - Advertising opportunities in local press, and a range of publications to reach small businesses, ethnic minority owned business and social enterprises
  - Engaging with borough-wide employment programmes to support unemployed residents' access to training, skills and sustainable employment
  - Using local companies in their sub-contracting and supply chain arrangements.

### **Social considerations**

95. Pursuant to section 149 of the Equality Act 2010 the council has a duty to have due regard in its decision making processes to the need to:
- (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not
  - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
96. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The Public Sector Equalities Duty also applies to marriage and civil partnership, but only in relation to (a) above.
97. The council will ensure that the appointed contractor will also comply with the act by ensuring that they deliver services that reduce the barriers to participation in physical activity for everyone in the community. The council will review tenderers current equality and diversity policies as part of the PQQ process. The council will also set specific participation targets against particular groups for the successful contractor to reach through community work and programming.
98. The London Living Wage will be included in the new contract arrangement.



99. The inclusion of the London Living Wage will enable the contract to achieve the following benefits:
- deliver a high quality service
  - deliver high customer satisfaction levels
  - retain suitably qualified staff that are employed on this contract
  - attract high quality and suitably qualified staff when required
  - retain and attract staff domiciled within the London area.
100. An apprenticeship scheme will be included in the new contract.
101. The council will ensure that the appointed contractor will work alongside the council towards making Southwark an age friendly borough through proactive employment of older staff and programmes that promote increasing uptake and participation in physical activity amongst older residents.

### **Environmental considerations**

102. Potential providers will be required to provide acceptable and appropriate environmental policies. Specific performance targets for reducing waste and energy consumption will be included within the contract.
103. In addition to a targeted reduction in energy consumption, the appointed contractor will be expected to provide and implement energy management plans aimed at reducing carbon emissions in line with council targets with deductions against non compliance. The contractor will also be expected to work towards delivering the council's recycling targets and work on becoming environmentally accredited. Energy targets will be reviewed every year.

### **Plans for the monitoring and management of the contract**

104. The client role of the contract including the management and administration of the contract will be managed by the sports and leisure services team who will ensure that the contractor complies with the terms and conditions of the contract, contractor method statements and all related documents including the services specification. This will be achieved through regular meetings after which reports will be made back to the client.

### **Monitoring by council officers**

105. Council officers monitor the current contract by undertaking bimonthly inspection visits to sites paying particular attention to cleaning and maintenance standards and delivery of customer care against an agreed set of criteria. Regular contract meetings take place and a series of reports are supplied throughout the year. It is anticipated that a similar regime will be in place for the new contract.

### **Contractor self monitoring**

106. The contract will require the provider to carry out self monitoring in relation to the standards set out in the services specification and the terms and conditions of the contract. Processes will be put in place to encourage the contractor to be open and honest regarding their performance

### **Key Performance indicators**

107. As part of the reporting process a number of monthly and annual Key Performance Indicators (KPIs) will be monitored in the contract, these include;

- Meeting reporting deadlines both monthly and annually
- Ensuring controlled, quick and effective response to reactive maintenance
- Delivery of appropriate management of planned and preventative maintenance
- Professionalism in dealing with customer enquiries e.g. telephone calls, complaints and feedback from customer focus groups
- The number of visitors to centres and usage by target groups (e.g. people with disabilities, BME groups, and people under 16 and over 60)
- Maintaining good standards of cleanliness throughout the centres
- Ensuring refreshments are available including healthy options.
- Maintenance of emergency planning records
- Achievement and retention of quality standards such as QUEST and ISO 9001:2000
- LLW and apprenticeships.

### **Client structure**

108. The contract will be managed within the council's sport and leisure services business unit. Once the contract is operational, the client team will provide strategic and policy advice to the council in relation to matters affected by the contract.

109. The team consists of four council officers (already budgeted) who will manage the performance and ensure the maximised delivery of the contract. They will put into practice the systems to develop, monitor, manage and evaluate performance, in line with the overall purpose of being a 'best practice' client. The team will also be responsible for ensuring that statistical returns to other council departments and external bodies and partners are completed

### **Staffing/procurement implications**

110. The procurement and the subsequent monitoring of the contract will be managed within existing resources and there will be no changes to the existing sport and leisure team structure.

111. Additional external legal and technical advisor costs will be incurred to support the procurement process and in the production of contract documentation. This will be procured separately.

### **Financial implications**

112. Significant investment in Southwark's leisure centres and the resulting increase in usage makes this an extremely attractive contract. Commercial advice is that in the current market this could lead to a contract at nil cost or with the provider paying the council.

113. The implementation of free swim and gym makes the possibility of the provider paying the council less likely. However, the recent soft market testing demonstrates that it is still possible to secure a cost neutral contract, i.e. at no more than the current price or less.

**Legal implications**

114. Please see concurrent from the director of legal services

**Consultation**

115. Senior officers have been consulted on their views regarding options for the leisure management service and will be regularly briefed throughout the procurement process.

116. The council arranges for customer satisfaction surveys to be undertaken with residents to test public confidence in our service provider. Surveys are undertaken on a quarterly basis and the latest customer satisfaction score for leisure services is 89 per cent.

117. The cabinet member for public health, parks and leisure is regularly updated on performance and other contract issues.

**SUPPLEMENTARY ADVICE FROM OTHER OFFICERS****Head of Procurement**

118. This report seeks Cabinet's approval to tender for the management of the council's leisure facilities from 21 June 2016 for a period of seven years with an option to extend for a period or periods up to a further seven years.

119. The report identifies the local context to the service noting the significant investment into the council's leisure centres in recent years as well its ambitions to develop a free swim and gym offer.

120. The report describes the process that has been undertaken to determine the most advantageous approach to securing a high quality leisure service at the lowest cost. The report confirms that the leisure centres are expected to generate a high level of income and that this is expected to be reflected in the contract price.

121. The proposed procurement route is for the council to seek a minimum of five tenders by way of an EU tendering process.

122. The report confirms that there is a range of providers able to deliver the service and that the contract should attract strong market interest.

123. The evaluation methodology for this procurement will be on the basis of the most economically advantageous tender and in determining this a price/quality ratio of 60:40 will be used. A justification for using this weighted model is set out in the evaluation section of the report.

124. The report identifies a number of risks associated with this procurement strategy and controls to mitigate those risks.

125. The report sets out the management arrangements that will be established for the contract including the monitoring of monthly and annual Key Performance Indicators.

### Director of Legal Services

126. This report seeks the cabinet's approval to the procurement strategy for management of the council's leisure facilities, by undertaking a tender exercise as detailed in paragraph 62. The current contract expires in June 2016 so it is necessary for the procurement to be completed to award by this time.
127. As this service is being procured after 26 February 2015 it is subject to the new procurement regulations 2015 (PCR 2015).
128. External legal advisers have been appointed to advise the council in respect of this procurement, and as part of their initial advice they will be asked to advise the council on the steps needed to ensure compliance with the PCR 2015, and whether there are any new provisions introduced by the regulations which can facilitate our process.
129. CSO 4.4.2 details who may approve decisions on a procurement strategy. As this contract is classified as a strategic procurement the decision is reserved to the cabinet.

### Strategic Director of Finance and Corporate Services (FC14/O56)

130. The strategic director of finance and corporate services notes the recommendation in this report for the procurement strategy for the management of the council's leisure facilities. The contract award is planned for February 2016, and at present it is considered that the new arrangements should cost no more than existing arrangements.
131. The contract is due to commence in June 2016, and so the costs, or potentially any income, from the contract will impact on the budget for the financial year 2016/17 agreed by council assembly in February 2016.
132. The contract is anticipated to run for at least seven years, therefore impacting on all financial years up to and including 2023/24. The council faces a decline in government grant funding over the short to medium term and the proposed contract should be constructed and managed to ensure it is delivered within the funds available.

### BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
GW1 Free swim and gym implementation	Environment and Leisure, Culture Libraries Learning and Leisure Southwark Council 160 Tooley Street London SE1 2QH	Tara Quinn 020 7525 0875
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/documents/g4866/Public%20reports%20pack%20Tuesday%2027-Jan-2015%2016.00%20Cabinet.pdf?T=10">http://moderngov.southwark.gov.uk/documents/g4866/Public%20reports%20pack%20Tuesday%2027-Jan-2015%2016.00%20Cabinet.pdf?T=10</a>		

## APPENDICES

No	Title
Appendix 1	Market analysis

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Barrie Hargrove, Public Health, Parks and Leisure	
<b>Lead Officer</b>	Deborah Collins, Strategic Director, Environment and Leisure	
<b>Report Author</b>	Tara Quinn, Sports and Leisure Services Manager	
<b>Version</b>	Final	
<b>Dated</b>	5 March 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Head of Procurement	Yes	Yes
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Head of Specialist Housing Services	No	No
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		5 March 2015

**Market analysis**

- Of the 33 London boroughs only 3 do not out source the management of their leisure facilities
- There are 8 leisure management contractors operating contracts across London
- GLL have the most contracts, operating in 13 boroughs
- Fusion operate in 7 boroughs
- Contracts terms range from 10 to 25 years
- From available information the most frequently used contract term is 15 years (11 contracts)
- Contracts tend to use similar key performance indicators focussing on usage, satisfaction, provision good facilities and services, reporting, maintenance and health and safety
- Some contracts include investment agreements. This is quite common with recent contracts especially where there is an ageing stock of leisure facilities
- Some contracts include payment mechanisms

<b>Item No.</b> 18.	<b>Classification:</b> Open	<b>Date:</b> 17 March 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 – Procurement Strategy: Parks Grounds Maintenance Contract	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Barrie Hargrove, Public Health, Parks and Leisure	

### **FOREWORD – COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR PUBLIC HEALTH, PARKS AND LEISURE**

This report asks the cabinet to approve the procurement strategy for the parks grounds maintenance contract. I am satisfied that in agreeing this report cabinet will be making provision for the council to secure a contract which will continue to deliver high standards of maintenance for our parks and open spaces.

### **RECOMMENDATIONS**

1. That cabinet approves the procurement strategy outlined in this report for the long term parks grounds maintenance contract commencing October 2016 at an estimated annual value of £2,795,000 for a period of seven years with an option to extend by a further seven years making a total contract value of £39,130,000.
2. That cabinet approves use of the extension of the parks grounds maintenance contract to Quadron Services Limited (Quadron) for a period of 18 months for the reasons detailed in paragraphs 52 to 60 at a total cost of £4,192,500. This term will comprise the following:
  - i) a six month extension from 1 April 2015 to 30 September 2015 at a cost of £1,397,500 and
  - ii) a further 12 months from 1 October 2015 to 30 September 2016 via a single supplier negotiation at a cost of £2,795,000 by way of an exemption from Contract Standing Orders as provided in CSO 4.4.3.

### **BACKGROUND INFORMATION**

3. The parks grounds maintenance contract was originally awarded to Quadron, for a period of four years and eleven months from 3 May 2004 with an option to extend the contract term for a further five years. The contract was subsequently extended until 31 March 2014.
4. Officers recommended that prior to a decision on the procurement of a longer term contract a full strategic assessment of the future of these services and the role of the grounds maintenance contract in delivering some or all of them be completed.
5. In order to allow sufficient time for this review to be completed the cabinet member for Transport, Environment and Recycling approved the award of the integrated parks grounds maintenance contract to Quadron for a period of one year to 31 March 2015 with the option to extend by a further six months.

6. The current contract is borough-wide covering some 97 sites including five major parks, 33 local parks, 15 gardens and squares, two sports grounds, three cemeteries and 39 other open spaces.
7. The contract is based on six operational areas centred on the major parks; Burgess, Dulwich, Geraldine Mary Harmsworth, Peckham Rye and Southwark, and cemeteries. The scope of the services within the contract include:
  - Grass, shrub and rose bed maintenance
  - Maintenance of hedges and young trees
  - Seasonal bedding supply and maintenance
  - Litter management, sweeping and cleaning including
  - Leaf clearance
  - Litter and dog waste bins
  - Dog waste removal service
  - Sports pitch maintenance including
    - Football pitches
    - Cricket squares
    - Bowling greens
    - Artificial surfaces
  - Maintenance of water features
  - Park attendants
  - Gate opening and locking service
  - Sports pitch booking service.
8. The contract is largely output based. However it sets out minimum inputs and frequencies that the council believes are required to achieve the specified standards. The contract is priced on an annual unit basis for each type of work (e.g. grass cutting) and full quantities of work for each site are provided within the bills of quantities.
9. The contract sets high standards across all parks and has added value with the required provision of e.g. head gardeners and apprentices.

### **Summary of the business case/justification for the procurement**

10. Not procuring the parks grounds maintenance service is neither desirable nor practicable as it would leave the council unable to maintain the quality and provision of its parks and open spaces, a strategic assessment of the role of the grounds maintenance contract in delivering a range of services and how these are delivered has now been undertaken.
11. A number of options for the scope of the grounds maintenance service and options for delivering it have been developed in order to best meet the following key objectives:
  - Council plan targets
  - Reducing costs
  - Maintaining the quality of parks and open spaces
  - Improving Customer service
  - Coherence
  - Accessibility
  - Sustainable Asset management.
12. The assessment process included the following:
  - A workshop with senior officers from a range of council services working with parks considered options for the parks grounds maintenance service
  - A procurement board established to oversee the procurement process of the new service and determine the extent of any additional resources required once the procurement strategy is approved



- A soft market testing exercise with five leading grounds maintenance companies to gauge their views on issues such as contract packaging, term, innovation and efficiencies
  - A survey, conducted via the London Parks Benchmarking Group, to determine the status of existing grounds maintenance contract arrangements across London
  - Review of two neighbouring authorities to understand their future plans to determine any potential joint procurement opportunities.
13. The review included consideration of the emergence of a number of key factors including:
- Expansion of interest in managing parks from voluntary sector and social enterprise groups with questions as to what the balance should be between council and third party/sector managed sites
  - Who is best placed to maintain sports facilities provision in parks
  - What role the leisure services provider should play in parks.
  - The benefits of internalising the parks grounds maintenance service
  - A review of all sites contained within the various grounds maintenance service arrangements
  - Who is best placed to provide a universal sports booking service across parks and leisure services
  - Potential benefits of including any park concessions, e.g. Cafes within the grounds maintenance service.
14. The service areas were then reviewed further during the workshop and the market testing exercise to determine whether they should form part of the full options appraisal. The results of this review are shown in paragraphs 18-35.

### **Market considerations**

15. There is an existing, mature and competitive market for grounds maintenance services from a range of specialist contractors currently providing services for London authorities.
16. The recent soft market testing exercise demonstrated strong contractor interest in the grounds maintenance market and further supported by the information gathered from the London Parks benchmarking survey.
17. The soft market testing exercise also identified some key areas of potential savings including:
- Capitalisation of vehicles and machinery and investment in infrastructure
  - Use of volunteers
  - Income generation – sweating assets e.g. tennis charging
  - Contract type and length
  - Early contract payments and/or in advance
  - Risk sharing; Inflation, LLW costs and agreed profit levels.

### **KEY ISSUES FOR CONSIDERATION**

#### **Options for the Scope of services to be procured**

18. In addition to the services procured within the existing contract the following services have been considered for inclusion in the new contract from October 2016:
- Leisure management
  - Bookings
  - Highways and housing estates
  - Cemeteries Grave digging
  - Volunteering and third sector involvement

- Cafe concessions.

### **Leisure management**

19. The current leisure management contract is due to complete in June 2016 and a report on the future delivery options for the service is scheduled for cabinet in March 2015. The contract currently includes the management and maintenance of all leisure centres.
20. Parks manage outdoor sports facilities located within Burgess Park.
21. There are many instances where grounds maintenance contractors manage outdoor sports and related facilities. Some leisure management contracts require the contractor to ensure the maintenance of grounds surrounding a leisure facility though this is usually limited to a small area with low level horticultural features.
22. There is an option to include the outdoor leisure facilities as part of the parks grounds maintenance contract as there is a greater link between the two services and the management of a range of other outdoor sports areas is already included within the contract. Moreover, there is benefit in having all facilities within a park managed by a single provider.
23. It is proposed that any grounds maintenance of these sites is included within the core grounds maintenance service arrangement and that future management and attendant functions are considered as part of a separate priced option as shown in Table 1.

### **Bookings**

24. The booking of sports pitches within parks and the Burgess Park sports facilities is currently undertaken as part of the parks grounds maintenance contract.
25. Any bookings associated with facilities managed by leisure i.e. leisure centres and outdoor facilities are undertaken via the leisure services contract and there is no integration with the parks bookings service.
26. There is a strong desire for improved customer access to a universal sports booking system that includes provision for online booking and a single point of contact for all sports and leisure facilities within Southwark. It is therefore proposed that the single booking management service is operated by the leisure service provider and linked to the 'My Southwark' web site.

### **Highways and Housing Estates**

27. Grounds maintenance on housing estates, highways, and other non-park sites is undertaken by Southwark Cleaning.
28. A review of all sites requiring grounds maintenance services in 2004 led to parks and open spaces being separated from other amenity land, e.g. housing and highways. Parks and open spaces provide sites that allow full access and are used for leisure and sports activities. Typically amenity land, e.g. housing and highways is not fully accessible but provides aesthetic value and softening of the surrounding built environment.
29. As part of this current exercise a review of all sites contained within the various grounds maintenance service arrangements has been carried out. As a result of this exercise a number of sites have been identified that due to their nature and/or location are proposed to transfer between Parks and Southwark Cleaning to be maintained accordingly.

## Cemeteries

30. The grounds maintenance of cemeteries is currently undertaken via the Quadron contract. Grave digging is undertaken by directly employed staff. Merging the two functions into a single workforce could use resources more efficiently and reduce costs. It is therefore proposed that grave digging is priced as an additional priced option to the grounds maintenance contract to allow for further review.

## Third sector and volunteer arrangements

31. A number of third sector organisations are already engaged via the environment and ecology contracts programme. Three contracts have been awarded to the following organisations and are due to expire in March 2016; these will be procured separately and are outside the scope of this contract.
- Bankside Open Spaces Trust (BOST) – for maintenance contribution to five sites and the management and maintenance of Redcross Gardens and Marlborough open space.
  - London Wildlife Trust (LWT) – for the management and maintenance of Sydenham Hill Wood and Cox's Walk.
  - Trust for Conservation Volunteers (TCV) – for the management and maintenance of Dulwich Upper Wood, Lavender Pond and Stave Hill Ecological Park.
32. Approximately 10,000 volunteer hours have been given to parks to date this year. Currently the work delivered provides 'added value' rather than core service provision. Volunteer hours have been provided from a range of sources including friends groups, corporate volunteers and community pay back.
33. Contractors will be asked to work in partnership with volunteers and third sector providers in order to maximize the potential benefits of these services.

## Concessions

34. Cafes in parks are currently provided via individual licences – a number of grounds maintenance companies manage cafes/catering concessions though in practice this is either provided by another part of their organisation or on a sub-contracted basis.
35. There are no clear synergies or efficiencies in relation to cafes. With this in mind it is proposed to continue to procure cafe providers as a separate contract and outside the scope of this contract.

## Option appraisal of scope of services

36. In light of the above, a summary of the advantages and disadvantages of each of the areas and whether they should be a core or priced option are presented in Table 1 below.

Service area	Advantages	Disadvantages	Core	Priced option
Leisure Management Outdoor Facilities (Located within Parks)	<ul style="list-style-type: none"> <li>• Single point of contact – Park</li> <li>• Improved customer experience</li> <li>• Market interest and market trend</li> <li>• Holistic approach to contract and site management</li> <li>• Addresses 'boundary' issues</li> <li>• Improved integration and synergy – pooling of staff</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of technical LM expertise</li> <li>• Ignores strong LM market</li> <li>• Reduced link to wider LM policy and strategy</li> <li>• Additional transfer complexity e.g. Harmonisation of terms and new specifications</li> <li>• Loss of synergy with wider LM service</li> </ul>	Yes	Yes

Service area	Advantages	Disadvantages	Core	Priced option
Bookings All sports bookings in scope	<ul style="list-style-type: none"> <li>All parks pitch bookings in one place</li> <li>Link to maintenance and availability of facilities</li> <li>Some market interest</li> </ul>	<ul style="list-style-type: none"> <li>Does not deliver universal sports booking service</li> <li>Limited technical expertise, e.g. on line bookings</li> <li>Lack of market expertise and outside core business</li> </ul>	No	No
Southwark Cleaning/Parks (Review of Boundaries)	<ul style="list-style-type: none"> <li>Addresses any historical anomalies</li> <li>Seeks to ensure sites in appropriate contract</li> <li>Identifies clearer boundaries</li> <li>No negative impact</li> </ul>	<ul style="list-style-type: none"> <li>Minimal changes and impact</li> <li>Does not address wider issue of all GM in one basket</li> </ul>	Yes	No
Cemeteries (Grave Digging)	<ul style="list-style-type: none"> <li>Synergies and efficiencies</li> <li>Market interest</li> <li>Potential savings</li> </ul>	<ul style="list-style-type: none"> <li>Unknown costs</li> </ul>	No	Yes
Third Sector (Environment & Ecology Contracts)	<ul style="list-style-type: none"> <li>Single provider of Park maintenance service</li> <li>Sharing of resources</li> <li>GM Market interest</li> </ul>	<ul style="list-style-type: none"> <li>Current low price</li> <li>Unlikely to realise savings</li> <li>Loss of technical expertise</li> <li>Reduced access to wider volunteer resource</li> </ul>	No	No
Park Concessions (Cafes)	<ul style="list-style-type: none"> <li>Single point of contact for services within Parks</li> <li>Some GM market interest</li> </ul>	<ul style="list-style-type: none"> <li>No synergies or efficiencies</li> <li>Likely to be sub-contracted</li> <li>Limited technical expertise</li> </ul>	No	No

37. The resulting options for the scope of services to be included in the full evaluation were as follows:

**Option 1 – Status Quo continue with current contract scope**

**Option 2 – Status Quo plus outdoor sports facilities within scope**

**Option 3 – Status Quo plus outdoor sports facilities with leisure management**

38. These options were assessed against a set of key criteria based on an evaluation model developed by the European Services Strategy Unit (ESSU).

39. A summary of the evaluated scores of each option are shown in Table 2 below.

Options for Scope	Score
<b>Option 1 – Status Quo</b>	101/130
<b>Option 2 – Status Quo plus outdoor sports facilities within scope and boundary review</b>	106/130
<b>Option 3 – Status Quo plus outdoor sports facilities with leisure management</b>	80/130

#### Preferred Option for Service Scope

40. The preferred option resulting from the analysis is option 2. The status quo plus the inclusion of outdoor sports facilities in scope was considered to provide the best overall option to deliver the objectives identified in paragraph 11 for the following key reasons:

- Adds to a proven delivery model
- Market interest
- Reflects market trend
- Resolves boundary issues
- Provides a coherent, holistic approach to overall site management
- Improved customer experience – single point of contact
- Improves opportunities for income generation
- Provides opportunities for pooling of staff
- Opportunities for cost sharing and economies of scale.

41. It is also felt that this option provides a more coherent approach to whole site management and the inclusion of outdoor sports facilities in scope will focus on any

grounds maintenance activities. In order to review this service area further an attendant and management function will be included as a priced option.

### Options for procurement route including procurement approach

42. Officers identified a number of potential procurement approach options to deliver the long term grounds maintenance service:
- Option 1 – External Contract – the council to procure its own stand-alone contract core, revised core or core plus options.
  - Option 2 – Shared Service –The council to align with one or more neighbouring boroughs to undertake a joint procurement process.
  - Option 3 – Internal Service – The council to internalise the grounds maintenance service.
  - Option 4 – Community/Third sector organisation –The council to consider a community or third sector led delivery model for the grounds maintenance service.
43. These options were assessed against a set of key criteria based on an evaluation model developed by the European Services Strategy Unit (ESSU).
44. A summary of the evaluated scores of each procurement option are shown in Table 3 below:

Options for Procurement Approach	Score
Option 1 – External Contract	184/220
Option 2 – Shared Service	111/220
Option 3 – In house	168/220
Option 4 – Community/Third sector organisation	110/220

45. Recommendations on procurement including a summary of key points are identified below.

### Preferred Procurement Approach (Option 1 – External contract)

46. The proposed procurement approach has been identified as the best option following the outcome of the options appraisal and evaluation based on the ESSU model.
47. The option of procuring a stand-alone external contract is considered to provide the best overall option to deliver the objectives identified in paragraph 11 for the following key reasons:
- Established and proven delivery model, externalised service since 1990
  - Consistently delivering high performance and success, customer satisfaction and external awards
  - Established stakeholder e.g. Friends groups and voluntary sector engagement
  - Contract already delivering local employment and LLW
  - Established performance monitoring and review mechanisms in place
  - Existing mature market and significant market interest
  - Market capacity to deliver wider linked services
  - Provides genuine competition and ability to achieve best price
  - Provides full breakdown of costs allowing positive and negative variations to be considered
  - Provides technical expertise and retention of staff
  - Apprenticeship and Head Gardener programme in place
  - Minimal risk and impact on authority
  - Minimal change management required.

48. The review took into account the principles of the recent Overview and Scrutiny report on procurement and gave serious consideration to bringing the service in-house. Although this option may provide some scope to take advantage of synergies and improved integration of services the review found that this option would be very difficult to provide given the lack of capacity of the in-house provider and would result in significantly higher costs, greater change and more risk to the council.
49. The survey conducted via the London Parks Benchmarking Group identified that 68 per cent of existing contracts are operated externally with the remainder being operated in-house.

### **Proposed procurement route**

#### **Long term arrangements**

50. In order to deliver the proposed approach the council will need to carry out a competitive tendering exercise by way of an EU compliant procedure to seek a minimum of five tenders.
51. The new EU procurement regulations (the Public Contracts Regulations 2015) came into force on 26 February and will apply to this procurement. The new regulations introduce a number of substantive changes to the previous requirements including an obligation to publish the contract documents from the date of publication in the OJEU of a contract notice.

#### **Interim arrangements**

52. In order to implement the proposed procurement strategy, sufficient time will be required for a full tender process to be undertaken in accordance with the new EU procurement regulations. A short term solution is therefore needed for the continuation of the current parks grounds maintenance service until a new contract can be let for 1 October 2016. A single supplier negotiation with the incumbent contractor represents the only practical short term solution to ensure continuous service provision.
53. As the current parks grounds maintenance contract with Quadron will expire on the 31 March 2015 with an option to extend by a further six months until the 30 September 2015, an additional period of 12 months is required.
54. This term will comprise a six month extension from 1 April 2015 to 30 September 2015 and a further 12 months from 1 October 2015 to 30 September 2016 via a single supplier negotiation.
55. Quadron's contract performance has regularly exceeded the agreed performance target with an average score of 93 per cent over the past two years. Park stakeholders including 'friends of' groups are also happy with Quadron's performance and parks customer satisfaction scores are high.
56. The company's strong performance has assisted the council in gaining 19 Green Flags for parks in 2014. Quadron has also won three national BALI (British Association of Landscape Industries) awards for landscape maintenance at Dulwich Park, Burgess Park and Southwark Park and two principal BALI awards for Burgess Park and Southwark Park.
57. As part of the new contract awarded in January 2014, Quadron agreed efficiency savings with the council.

58. A price testing exercise has been conducted via two neighbouring authorities to confirm the competitiveness of Quadron Service Limited's current pricing on the two principal areas of the contract i.e. grass cutting and litter management. Although it is difficult to compare rates and costs without full consideration of the specifications and quality standards, the findings support officers' view that the contract represents excellent value for money.
59. Based on their known performance, stakeholder and customer satisfaction and the ease of transition it is recommended that Quadron are engaged to deliver the grounds maintenance contract for a further 18 months.
60. A decision on the identified interim contract arrangements is normally a matter reserved for the Strategic Director of Finance and Corporate Services in accordance with Contract Standing Orders. A variation to the executive scheme of delegation has been requested from the Leader in order for cabinet to decide this matter at the same time as the longer term procurement strategy.

#### identified risks and how they were/will be managed

61. The table below identifies a number of risks associated with this procurement strategy and controls to mitigate the risks.

Risk No.	Risk identification	Risk level	Mitigating action
R1	Sub-standard delivery by contractor	Low	Key performance indicators and robust monitoring included in the current contract. The provider's performance has exceeded targets
R2	Failure to provide value for money	Low	Negotiations on proposed savings to current contract costs
R3	Under resourcing of the contract	Low	All existing resources will continue to be provided for the new contract period and included in contract costs
R4	No contract in place on 01/04/2015	Low	An extension of the existing contract will ensure a contract is in place
R5	Contract fails to perform to specification standard	Low	Default and termination clauses included within existing documentation

#### Key/Non-key decisions

62. This is a strategic procurement exercise and as such is a key decision.

#### Policy implications

63. Following engagement with local people through the council's budget process, the council plan identified a number of principles that would underpin the Fairer Future for all vision and guide the promises and objectives that were agreed through the council plan. The Fairer Future principles were updated in 2012/13 to include five core principles, two of which are relevant to the procurement of grounds maintenance services:
- Spending money as if it were coming from our own pocket
  - Making Southwark a place to be proud of.
64. The short and long term procurement strategies identified in this report will secure a contract which will continue to deliver high standards of grounds maintenance in parks

and open spaces and assist the council in maintaining the customer satisfaction target for parks.

65. The second Southwark spending challenge took place over the summer and early autumn 2013 and enabled residents to influence council spending priorities for 2014/15 and 2015/16. The results of this spending challenge will be used as a guide to budget setting for these two financial years. Positive feedback was received for parks budgets in the areas of 'protect' and 'increase'. Feedback included:
- "Keep up standards at parks, they are so good"
  - "Parks and open spaces are important in densely populated areas and good parks can help make savings elsewhere"
  - "Increase budget for open spaces"
  - "Protect parks and open spaces"
  - "More open spaces and parks".
66. The grounds maintenance service contributes to the Biodiversity Action Plan through protecting and maintaining open space and the delivery of the Open Spaces Strategy through the effective management of high quality open space and improving access to nature.

#### Timetable of procurement process followed

Activity	Complete/Completed by:
Forward Plan	March 2015
DCRB Review Gateway 1 Procurement strategy	18/2/2015
CCRB Review Gateway 1 Procurement strategy	19/2/2015
Notification of forthcoming decision - cabinet	6/3/2015
Approval of Gateway 1: Procurement strategy report	17/3/2015
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	31/3/2015
Completion of tender documentation	July 2015
Publication of OJEU Notice	September 2015
Publication of public advertisement	September 2015
Closing date for receipt of expressions of interest	October 2015
Completion of short-listing of applicants	November 2015
Invitation to tender	December 2015
Closing date for return of tenders	February 2016
Completion of any clarification meetings/presentations/evaluation interviews	February 2016
Completion of evaluation of tenders	March 2016
Forward Plan – Gateway 2	March 2016
DCRB Review – Gateway 2	April 2016
CCRB Review – Gateway 2	May 2016
Notification of forthcoming decision – despatch of cabinet agenda papers	May 2016
Approval of Gateway 2: Contract Award Report	June 2016
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	June 2016
Alcatel Standstill Period (if applicable)	June 2016



<b>Activity</b>	<b>Complete/Completed by:</b>
Contract Award	June 2016
Add to Contract Register	July 2016
TUPE Consultation period (minimum 3 months)	July – September 2016
Place award notice in Official Journal of European (OJEU) – Part A/B Services	February 2016 September 2016
Contract start	1/10/2016
Initial Contract completion date	30/9/2023
Contract completion date – if extension exercised	30/9/2030

### **TUPE/Pensions implications**

#### **Interim arrangements**

67. TUPE will not apply as the award of the extension and single supplier negotiation of this contract is to the incumbent contractor.

#### **Long term arrangements**

68. TUPE will apply if the incumbent contractor is unsuccessful in winning the new contract. This may result in the transfer of existing staff to the new contractor.
69. As part of the procurement process and before the invitation to tender stage, the incumbent contractor will be required to supply relevant TUPE details listing those staff eligible for transfer. This information will be updated on a regular basis throughout the procurement period. Legal Services/pensions will be asked to provide any necessary advice and assistance.

### **DEVELOPMENT OF THE TENDER DOCUMENTATION**

#### **Contract period**

##### **Interim arrangements**

70. The proposed interim contract term is 18 months as detailed in paragraph 54 above.

##### **Long term arrangements**

71. The proposed contract period is seven years with an option to extend by a further seven years. This period will allow contractors to identify potential savings and link to the maximum life span of vehicles and major plant required for this contract. The proposed term will also aid Southwark in receiving optimum rates for these services.
72. The seven year extension period will give the contractor the incentive to double the contract length and to re-invest in new vehicles, plant and equipment to carry out the contract.
73. There appears to be a trend towards awarding longer contracts. The soft market exercise identified that longer contracts are more attractive to contractors and may yield potential savings. The average length suggested by potential bidders was 11-17 years.
74. The benchmarking survey identified that the average contract term of existing contracts is 11 years in various combinations, e.g. extensions.

## **Contract form**

75. The interim contract will be given effect by means of a variation to the existing contract and therefore its form will remain the same, i.e. predominantly performance or output based with minimum frequencies identified to achieve the specified standards. All existing contract terms and conditions will be included in this contract.
76. The long term contract will include the current content and will be expanded to include additional agreed core items and priced options.
77. The contract will be predominantly performance or output based. However the specification will set out minimum inputs and frequencies that the council believes are required to achieve the specified standards. However if more inputs are required the contractor has to perform these at their own costs.
78. A performance based specification places greater responsibility on the contractor to manage the service and work programme to meet the desired outcomes. Client monitoring is reduced and the contractor is given greater flexibility as to how they achieve this end result.
79. During the soft market testing exercise contractors confirmed that greater value for money could be achieved from a more performance based specification whilst protecting the quality of the current service.
80. The survey conducted via the London Parks Benchmarking Group identified that 79 per cent of existing contract specifications are performance based with the remainder being either frequency or a mix of frequency and performance.
81. The contract will be priced on an annual unit basis for each type of work (e.g. grass cutting) and full quantities of work for each site will be provided within the bills of quantities.
82. The contract will include an annual inflation increase based on the appropriate prevailing inflation index.
83. The contract will include a set of provisional items to be priced on a schedule of rates basis for items not covered by the term contract.

## **Contract specification**

### **Interim arrangements**

84. The interim contract award will be given effect by means of a variation to the existing contract terms and conditions and therefore the specification will remain the same.

### **Long term arrangements**

85. The specification is such that it allows delivery of the following key requirements:
  - Ability to deliver pre-identified standards and continuous improvement
  - Ability to deliver efficient and effective services while demonstrating value for money
  - Ability to deliver best practice and innovation
  - Able to provide flexibility to manage change and emerging priorities.

### **Advertising the contract**

86. The contract will be advertised through OJEU and local publications or web sites where appropriate.

### **Evaluation**

87. Evaluation will be undertaken in two stages which will inform the final award recommendation as follows:
- Evaluation of the returned Pre-Qualification Questionnaire(s)
  - Tender evaluation.

### **Pre-Qualifying Questionnaire**

88. In response to the advert, organisations expressing an interest in tendering for these services will receive a Pre-Qualification Questionnaire (PQQ) designed to provide the council with the information necessary to assess their suitability to become a prospective service provider.
89. The selection process will consist of an evaluation of the following:
- Financial standing
  - Technical knowledge
  - Experience
  - Capacity and ability
  - References
  - Health and safety
  - Equalities
  - Environmental considerations.
90. An evaluation team will review the information provided for compliance and eligibility. All those that successfully pass the short-listing stage will be invited to tender.
91. Tenders will be evaluated on both price and quality.
92. Returned tenders will be reviewed by an evaluation panel comprising suitably qualified officers reflecting the nature of the contract and representation from friends groups. The panel will initially review for completeness and correctness of each of the bids and then proceed with the detailed evaluation.
93. The council standard price-quality ratio for evaluating tenders is 70-30. In order to ensure that standards of quality and delivery are maintained and to protect the council from potential 'rogue' bids, it is proposed to evaluate tenders using a minimum 60-40 price-quality ratio with quality thresholds set for all key service statements.
94. The evaluation panel will evaluate the tender submissions on the basis of both price and quality against a pre-determined model to be finalised by the evaluation panel. Quality will be assessed using the submitted service statements which will be assigned a weighting to reflect their relative importance and will include:
- Resource Proposals
  - Vehicles, machinery and equipment
  - Training and development
  - Health and safety
  - Depot arrangements
  - Stakeholder consultation
  - Continuous improvement/innovation

- Income generation
  - Partnership working
  - Quality Management Systems
  - Waste disposal and recycling
  - Volunteer management
  - Lead-in plan
  - Risk management.
95. Tenderers will be advised of the price- quality ratio and the service statement weightings in the invitation to tender and contract documents.
96. The criterion will follow the most economic advantageous tender protocol.
97. Post tender clarification meetings will be arranged for those tenderers who are deemed to be potentially suitable providers, as determined by the evaluation process. Prior to contract award, a pre-contract meeting will be arranged with the successful contractor.
98. A detailed evaluation report will be prepared and the officer recommendation included in the Gateway 2 report.

### **Equalities and community impact statement**

99. The contract is borough-wide and covers the majority of parks and open spaces. The contract specification will seek to maintain and improve the quality of the service and customer satisfaction level, currently 93 per cent.
100. The impact of the grounds maintenance service will affect all communities/groups, residents, businesses, visitors and those that pass through the borough and will in turn improve the quality of life for all. Direct benefits are well maintained parks and open spaces that make an important contribution to the enjoyment of all. Continued emphasis on maintenance will especially benefit the most vulnerable members of the community i.e. the elderly, the disabled and young children. People in all areas of the borough are affected by the quality of the parks and their assets.
101. The Public Sector Equality Duty imposed by the Equality Act 2010 states that public authorities must give 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic (including disability) and those who do not. The procurement of this contract is not considered to have any detrimental impact on local people and communities.
102. A stage one Equalities Assessment has been carried out and no significant impacts were identified in relation to any protected characteristics. Any impacts are likely to be beneficial in terms of the active use of parks and open spaces and the promotion of general wellbeing. Should any specific issues be identified at the PQQ stage further analysis will then be carried out.

### **Sustainability considerations**

103. The Public Services (Social Value) Act 2012 requires the council to consider a number of issues including how what is proposed to be procured may improve the economic, social and environmental well-being of the local area. These issues are considered in the following paragraphs which set out economic, social and environmental considerations.

### **Economic considerations**

104. The contract will require contractors to continue to develop the following:
- Apprenticeship scheme. The current contract includes provision for six horticultural apprentices per annum who are trained to NVQ2/3 level and retained within the contract work force on completion of their training.
  - Advertising opportunities in local press, and a range of publications to reach small businesses, ethnic minority owned business and social enterprises
  - Engaging with borough-wide employment programmes such as Southwark Works and Building London Creating Futures to support unemployed residents' access to training, skills and sustainable employment
  - Using local companies in their sub-contracting and supply chain arrangements.

### **Social considerations**

105. The London Living Wage was included in the contract from April 2015 and this requirement will be included in the new contract arrangement.
106. The inclusion of the London Living Wage has enabled the contract to achieve the following benefits:
- Continue to deliver a high quality service
  - Continue to deliver high customer satisfaction levels
  - Retain suitably qualified staff that are employed on this contract
  - Attract high quality and suitably qualified staff when required
  - Retain and attract staff domiciled within the London area.
107. Compliance with the London Living Wage initiative is in line with the council's commitment to extend this additional payment to contractors and agency staff.
108. Pursuant to section 149 of the Equality Act 2010 the council has a duty to have due regard in its decision making processes to the need to:
- (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
  - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not
  - (c) Foster good relations between those who share a relevant characteristic and those that do not share it.
109. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The Public Sector Equality Duty also applies to marriage and civil partnership, but only in relation to (a) above.
110. The aims and objectives of this proposed procurement are intended to provide benefits for all sections of the community and it is not anticipated that any individual or group will be disadvantaged.

### **Environmental considerations**

111. The contract requires that vehicles used by the contractor are 'clean and green' with classification specified as, i.e. Euro Class III or equivalent as a minimum. Vehicles are required to be regularly emission tested and well maintained.
112. The contract specification sets out requirements relating to the recycling and reuse of all green waste.

113. The scheduled use of pesticides is not permitted within this contract.

### **Plans for monitoring and management of the contract**

114. This contract will to be monitored and administered by the area parks operations team within the parks and open spaces business unit.

115. The contract will be measured on a monthly basis. Performance will be analysed and both the contractor and client work together to bring about continuous improvement. Customer satisfaction scores will continue to be monitored via resident surveys which will be undertaken on a quarterly basis.

116. The contract includes provisions for defaulting for poor performance and the ability to terminate the contract early.

### **Staffing/Procurement implications**

117. The interim contract and the subsequent management of the service will be managed within existing resources and there will be no changes to the existing parks and open spaces structure.

118. Additional external legal costs will be incurred to support the procurement process and in the production of contract documentation.

### **Financial implications**

#### **Interim arrangements**

119. The report seeks approval for a short term contract from 1 April 2015 to 30 September 2016. This term will comprise a six month extension from 1 April 2015 to 30 September 2015 at a cost of £1,397,500 and a further 12 months from 1 October 2015 to 30 September 2016 via a single supplier negotiation at a cost of £2,795,000 making a total cost of £4,192,500.

120. The contract includes payment of the London Living Wage (LLW). LLW will increase from 1 April 2015 by £65,000. These costs are included in the figures above and will be covered by the existing revenue budgets within the Parks business unit.

121. The proposed 2015/16 contract budget for this service is £2,826,253. The proposed budget is therefore sufficient to cover the costs set out for this contract.

#### **Long term arrangements**

122. The report also seeks approval for a long term contract from 1 October 2016 at an estimated annual value of £2,795,000 for a period of seven years with an option to extend by a further seven years making a total contract value of £39,130,000.

123. There is no certainty that in future years the contract budget will remain at the current level. Savings of up to 15 per cent may have to be found from this service area.

124. Full evaluations of the priced options will be carried out at the tender award stage to ensure value for money.

125. The report identifies the need for additional external legal support for the procurement process which is estimated at £50,000. This cost will be covered by the existing revenue budgets within the Parks business unit.

126. In addition to the term contract value there is a separate budget provision of £199,000 for ad hoc improvements and items not covered by the contract, e.g. sports pitch renovation, turfing and seeding, replacement planting and other horticultural improvements. This budget is allocated to a range of contractors and suppliers.

### **Investment implications**

127. Not applicable.

### **Legal implications**

128. Please see concurrent from the director of legal services

### **Consultation**

129. Senior officers from a range of council services working with parks were consulted on their views regarding options for the parks grounds maintenance service
130. Council staff and stakeholder groups are familiar with the operation of the current contract.
131. Consultation on the future specification will be undertaken with stakeholder groups and other interested parties prior to finalisation of the contract documentation.
132. Ward Councillors and other stakeholders including 'friends of' park groups are updated via stakeholder meetings, newsletters and general correspondence. An annual parks conference is held with all key stakeholders and positive feedback was received on the performance of Quadron at the last conference held in June 2014. All parties are happy with the contract performance and the standards being achieved.
133. The council arranges for customer satisfaction surveys to be undertaken with residents to test public confidence in our service provider. Surveys are undertaken on a quarterly basis and the latest customer satisfaction score for parks is 93 per cent.
134. The cabinet member for public health, parks and leisure is regularly updated on performance and other contract issues.

### **Other implications or issues**

135. Not applicable

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

136. This report seeks cabinet's approval to:
- Use the existing provision in the current grounds maintenance contract with Quadron to extend it by six months to 30 September 2015
  - Approve a single supplier negotiation with Quadron to let an interim grounds maintenance contract from October 2015 to March 2016
  - Approve the procurement strategy for a long term parks grounds maintenance contract from April 2016 with a proposed contract period of seven years with an option to extend by a further seven years.
137. The report identifies the local context to the service noting the significant successes of the parks service as well as emphasising the importance of parks to the council's wider

ambitions and establishes the business case to show how the proposed contract will build upon current practice.

138. The report confirms that the performance on the current contract has been satisfactory and there appears to be no reason why the council would not wish to continue contracting with the existing provider for the extension and interim contract. It would appear that there is no reason why the council should not continue with these arrangements for the extension periods recommended.
139. The report describes the comprehensive processes that have been considered for both the scope and the delivery options for the long term contract. It confirms that the recommended procurement route is to carry out a competitive tender process following an OJEU notice.
140. The report confirms that there is a range of providers able to deliver the service and that these are likely to number both national and local organisations. The companies involved in the soft market testing exercise indicated a strong interest in the contract.
141. The report confirms that a restricted process will be followed which is in line with the council's contract standing orders and EU regulations.
142. The evaluation methodology for this procurement will be on the basis of the most economically advantageous tender and in determining this a price/quality ratio of 60:40 will be used. A justification for using this weighted model is set out in the evaluation section of the report.
143. The report identifies a number of risks associated with this procurement strategy and controls to mitigate those risks.
144. The report sets out the management and monitoring arrangements that will be established for the long term contract and describes an approach that is intended to deliver continuous improvement.

#### **Director of Legal Services**

145. This report seeks approval of the procurement strategy relating to a new long-term contract for parks grounds maintenance, including approval of extensions of the existing service contract in order to allow sufficient time for the tendering of the new contract to be undertaken and completed. The decision to approve the recommendation contained in paragraph 1 is one which is required to be taken by the cabinet under the council's Contract Standing Orders ("CSOs"). The recommendation set out in paragraph 2 may also be approved by the cabinet following a formal variation of the executive scheme of delegation by the Leader of the council.
146. As noted in paragraphs 51 and 52 the procurement of the proposed new contract is subject to the application of the Public Contracts Regulations ("PCR") which came into force on 26 February 2015. The proposed procurement timetable set out under paragraph 65 will enable officers to document the council's technical requirements for the new service and to provide "unrestricted and full direct access free of charge" to all of the procurement documents from the date of publication of the call for competition/contract notice in the Official Journal of the European Union, in line with the requirements of the PCR.
147. CSOs provide for an exemption from tendering to be granted in exceptional circumstances. Paragraphs 52 and 53 explain the need and reason for seeking approval of a further extension of the existing contract from 1 October 2015.



148. Paragraphs 66 to 68 summarise the effect and impact of TUPE on both the extension of the existing contract and the award of the proposed new contract.
149. Paragraphs 100 and 101 of this report note and acknowledge the council's obligation to comply with the Public Sector Equality Duty contained within the Equality Act 2010, both in relation to the making of decisions about procurement and the operation and management of any contracts arising from such decisions. To that end officers have conducted an equality assessment in order to examine the impact of the service on individuals and groups within the local community (in particular, those having a "protected characteristic" under the Act) and the report notes that further analysis will be carried out at regular intervals during the lifetime of the existing and new contracts.
150. The Director of Legal Services (corporate team) will advise and assist officers as required throughout the procurement process.

### **Strategic Director of Finance and Corporate Services**

151. The strategic director of finance and corporate services notes the recommendations in this report to:
- Use the existing extension provision of six months to 30 September 2015
  - Approve a single supplier negotiation with the incumbent supplier from October 2015 to September 2016
  - Approve the procurement strategy for the long term parks grounds maintenance contract commencing October 2016.
152. The costs of the service are met from the council's general fund budget, which for 2015/16 was agreed by council assembly on 25 February 2015. This will cover the period of the extension provision, and the start of the one year single supplier negotiated contract. It is important that all expenditure and budgets are monitored carefully to ensure the budget is not exceeded.
153. The estimated costs of the contract from 2016/17 onwards are to be met from the council's general fund budget, which is subject to annual agreement by council assembly in February 2016. Given the timing of the contract award decision, planned for June 2016, any new contract must be agreed within the budget agreed in February 2016. The implications of this should be fully explained in the gateway two contract award report.
154. The contract is anticipated to run for at least seven years, therefore impacting on all financial years up to and including 2023/24. The council faces a decline in government grant funding over the short to medium term and the proposed contract should be constructed and managed to ensure it is delivered within the funds available.

### **BACKGROUND DOCUMENTS**

Background documents	Held at	Contact
None		

### **APPENDICES**

No	Title
None	

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Barrie Hargrove, Public Health, Parks and Leisure	
<b>Lead Officer</b>	Des Waters, Head of Public Realm	
<b>Report Author</b>	Rebecca Towers, Parks and Open Spaces Manager	
<b>Version</b>	Final	
<b>Dated</b>	5 March 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS/DIRECTORATES/CABINET MEMBER</b>		
<b>Officer title</b>	<b>Comments sought</b>	<b>Comments included</b>
Head of Procurement	Yes	Yes
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Head of Specialist Housing Services	No	No
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		5 March 2015

<b>Item No.</b> 19.	<b>Classification:</b> Open	<b>Date:</b> 17 March 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway to Peckham Project Update and Approval of the making of an application to the Secretary of State for a compulsory purchase order to acquire the property interests within the revised project boundary	
<b>Ward:</b>		The Lane	
<b>Cabinet Member:</b>		Councillor, Mark Williams, Regeneration, Planning & Transport.	

### **FOREWORD BY COUNCILLOR MARK WILLIAMS, CABINET MEMBER FOR REGENERATION, PLANNING AND TRANSPORT**

The continued regeneration of Peckham is a key priority for Southwark Council, the next phase of this work is the Gateway to Peckham project. This will be an exemplar scheme for our Heritage-led regeneration approach in Peckham as we unveil the beautiful Victorian frontage and re-create a bustling public square. From the low-point of the 2011 riots this much needed project received funding from the GLA and Southwark Council to create a new 'gateway' into Peckham for local residents and visitors alike.

Following concerns raised by residents and businesses in 2014 the project was paused so that we could better engage with them, the Co-Design process which followed produced an 'Atlas of Aspirations' for the new square which will inform the design work. We recently appointed Landolt + Brown as the architects who will take forward these aspirations and turn them into a design which will be submitted for planning approval later this year. This report formally establishes the funding arrangements so that the project can proceed, and sets out the Compulsory Purchase Order process to ensure the project can be delivered. We will continue to engage with local residents, businesses and community groups throughout the design process, as will Landolt + Brown. As this report states there will be an impact on local businesses who will have to relocate as part of this regeneration project, we will work closely with them to help them find new premises in the vicinity and moves within the completed scheme itself. We will also investigate phasing the works so that the impact on local businesses can be better managed.

### **RECOMMENDATIONS**

That the cabinet agrees that:

1. The council makes a Compulsory Purchase Order (CPO) under section 226 (1) of the Town & Country Planning Act 1990 and section 13 of the Local Government (Miscellaneous Provisions) Act 1976 for the acquisition of the land and new rights within the area and hatched edged black on the Ordnance Survey plan LBS\_3175(Layout3) at Appendix One for the purpose of securing the creation of a new public square and new or refurbished commercial space to the front of Peckham Rye Station part of proposal site 6 in the Peckham & Nunhead Area Action Plan (PNNAP).

2. The Director of Regeneration be authorised to:
  - a) take all necessary steps to secure the making, confirmation and implementation of the CPO including the publication and service of all notices and the presentation of the council's case at Public Inquiry should one be called;
  - b) acquire all interests in land within the CPO boundary either by agreement or compulsorily;
  - c) approve agreements with land owners setting out the terms for the withdrawal of objections to the CPO, including where appropriate seeking exclusion from the CPO;
  - d) amend the boundaries of the Area 1 edged and hatched black on the Ordnance Survey plan LBS\_3175(Layout3) at Appendix One; or
  - e) either amend the boundaries of the Area 1 edged black on the Ordnance Survey plans to include Area 2 edged black on plan LBS\_3175(Layout4) at Appendix One or seek a separate compulsory purchase order, if negotiations are not concluded between Network Rail (the freeholder) and Bywater Properties (the tenant), should it be required;
  - f) make arrangements for the presentation of the council's case for confirmation of the CPO at any public inquiry;
  - g) exercise the compulsory purchase powers authorised by the CPO by way of general vesting declaration and/or notice to treat.
  - h) to approve the acquisition of all interests, where possible, by negotiation pursuant to the CPO approving payments to interest holders in line with the statutory compensation provisions within the budget and limits per interest set out in the closed report.
  
3. That the cabinet note:
  - a) The change in the delivery of the project
  - b) The results of the community engagement work undertaken as part of the Co-Design Process
  - c) Other work completed as part of the project
  - d) The renewed funding agreement to be entered into with the GLA.

## **BACKGROUND INFORMATION**

### **Project Update and Information**

4. The Gateway to Peckham Project was outlined to cabinet in April 2012 when authorisation was given to enter into a grant agreement with the GLA to secure £5.07 million of funding.
5. In April 2013, cabinet resolved:

That officers be instructed to commence negotiation with all interested parties in the area.

That the director of regeneration be authorised:

- a. To approve the detailed provisions and requirements of a business engagement package in consultation with the cabinet members for regeneration and corporate strategy and communities and economic wellbeing.
  - b. To prepare and report back to cabinet at the earliest opportunity on a land information and assembly strategy, which would include:
    - i. Continued engagement and negotiations to acquire all interests and approve agreements with landowners of land within Area 1 shown in Appendix 1 of the [April 2013] report
    - ii. Undertake referencing and/or obtain further information using requisitions under the Acquisition of Land Act 1981
    - iii. Amend the boundaries of the areas edged in bold and shown in Appendix 1 of the [April 2013] report should it be required
    - iv. Enter into agreement with Network Rail for the Gateway to Peckham project.
6. Following call-in by the overview & scrutiny committee of the 16/04/2013 decision the cabinet resolved on 26 June 2013:
1. That models of partnership arrangements which are as dynamic as possible while involving the widest range of stakeholders and community groups be investigated.
  2. That a further report on the findings of the engagement models investigated be received in the autumn.
  3. That the area where interests need to be acquired which is set out Appendix 1 of the report be noted.
  4. That the cabinet member and officers ensure that the outcomes of involvement activities for this project are recorded, especially those with partners, alongside logistical information on the number of meetings and consultation documents distribution and stakeholders consulted, to ensure meaningful and measurable engagement.

#### **Proposals for Redevelopment of the Area Surrounding Peckham Rye Station**

7. Between 2012 and 2014, led by Network Rail, with Southwark Council, a planning application was prepared for a comprehensive redevelopment of the entire site including Dovedale Court at the rear and all the adjacent buildings within the Network Rail freehold.
8. A combination of pre-application feedback from the planning department and the opposition from local people, led Southwark Council and Network Rail to seek an extension to their current timescales from the GLA. The aspiration was that with

a revised timescale and refreshed approach, the partners can ensure that plans could be developed with local people helping to shape the redevelopment.

9. Following competitive tendering of a brief to consultants to undertake further consultation, the Co-Design process was initiated in order to successfully engage local people, and to facilitate greater local influence on the project brief and design. The Co-Design process also was a platform to more thoroughly communicate the opportunities and challenges of delivering the project
10. Southwark Council commissioned Ash Sakula architects to undertake the first stage of a Co-Design process, examining new visions for the area around Peckham Rye Station. The creative team of Ash Sakula in partnership with the people of Peckham held discussions, exhibitions, workshops and editorials as part of the Co-Design project. They engaged local people, writers, urbanists, horticulturalists, artists, filmmakers, poets, activists and visionaries in the process.
11. The Co-Design team published an Atlas of Aspirations in November 2014. This document breaks down, into 30 different subject matters, the views of the local community on their ideas, concerns and aspirations for the local area; it is the culmination of several months of public engagement. This will form a key document in the next stage of clarifying and informing the design brief.
12. The original project was in effect a master plan for the whole station area including the rear arches and adjacent buildings, resulting in the displacement of up to 60 local businesses, the approach now being adopted is one of evolving a design with local stakeholders seeking to relocate existing businesses within the scheme or elsewhere wherever possible.
13. In order to deliver the overall project the site has now been broken down into four discrete elements, each being delivered by different partners. Shown on the plan at Appendix 1.
  - Area 1 – Edged and hatched black on plan LBS 3175 (layout 3)
  - Area 2 – Edged black on plan LBS 3175 (layout 3)
  - Area 3 & 4 – Edged black on plan LBS 3175 (layout 4).
14. The council has now tendered the design element of the project and appointed Landolt + Brown Architects to continue the Co-Design process, building on the significant work already undertaken and secure a detailed planning consent.
15. This is the first co-design project to be undertaken by the council. As a result of the process a strong group of local co-designers has developed. The appointed team at Landolt + Brown have, demonstrated how they will engage successfully with the co-designers, continue the process of Co-Design and work further to engage with the wider public, building on the work already undertaken.
16. The project is now moving into the Design stage and a planning application will be submitted for the scheme, it is expected this will coincide with the CPO process. The indicative programme is:
  - a) Planning application – Summer 2015
  - b) Make CPO – Summer 2015
  - c) Construction – Summer 2016 to Spring 2017
  - d) Completion – Spring 2017

## **Planning Policy Support for the Redevelopment of the Area Surrounding Peckham Rye Station**

17. The redevelopment and regeneration of the Peckham Rye Station area is supported in planning policy. The relevant planning policy being:
- (a) the National Planning Policy Framework (NPPF) (guidance)
  - (b) Southwark Council's Core Strategy (with saved policies from the Southwark Plan)
  - (c) the Peckham and Nunhead Area Action Plan – November 2014

### ***National Planning Policy***

18. The NPPF confirms the government's commitment to economic growth, and that planning policies should recognise and seek to address potential barriers to investment, including poor environment, lack of infrastructure and services. This should include identifying priority areas for economic regeneration, infrastructure provision and environmental enhancement.
19. The NPPF supports the promotion of healthy communities via safe and accessible environments and high quality public space which encourages the active and continual use of public areas.
20. The NPPF also provides guidance to local authorities in conserving and enhancing the historic environment; it notes that local authorities should take into account the desirability of sustaining and enhancing the significance of heritage assets and the wider social, cultural, economic and environmental benefits that conservation of the historic environment can bring.

### ***Local Planning Policy***

21. The council's Core strategy sets out the vision for Peckham, the vision includes working with Network Rail to deliver improvements around Peckham Rye station, to include a possible new square to transform the area around Peckham Station and the railway arches
22. The council's Peckham and Nunhead Area Action Plan (AAP) was adopted in November 2014. The AAP builds upon the council's Vision set out in the Core Strategy, providing the detailed framework for the aspirations and delivery for the redevelopment of the area.
23. Peckham Rye Station (and surrounding area) is allocated in the AAP under policy PNAAP6 as a regeneration area; it provides site specific guidance on its redevelopment. The policy confirms the following:
- Development at Peckham Rye Station should include the creation of a public square in the forecourt of the station;
  - It should conserve or enhance the historic character of the listed station building and the surrounding conservation areas and listed and locally listed buildings.
24. The text in support of the policy acknowledges that the visibility of the listed station building is restricted by the arcade built in front of the station; this in turn creates low quality public space. It identifies proposals for improving the setting of the listed building by removing the existing arcade buildings to open up the façade of the station and providing a new public open space. It is considered

that improving the station forecourt in this way will enhance the station entrance, increase footfall and encourage people to spend time in Peckham.

25. In addition to the immediate enhancement of the station building, other objectives for the area include residential development, developing a market at the rear of the station building and encouraging the use of premises within Blenheim Court for creative and artistic enterprises.
26. There is therefore a detailed and up to date planning policy framework in place which supports the redevelopment and regeneration of the Peckham Rye Station area. The council's proposals to facilitate the first stage of this regeneration, in preparing a planning application for the new public square and opening up of the station entrance, is enshrined in planning policy

### **Funding Agreement GLA**

27. A funding agreement was entered into with the Greater London Authority (GLA) to provide £5.093M of capital funding from the Mayor's Restoration Fund to the project. This agreement expired in 2014. An extension was agreed but given the change in scope and delivery of the phases of the project a new funding agreement will be entered into for approximately £5.073M to deliver the area in front of the station and support the other projects at Dovedale Court, Station Improvements, and Townscape Heritage Initiative.
28. Formal Approval of the agreement by the GLA Investment Board is due in March 2015 following this the council and the GLA will enter into a renewed agreement.

### **CPO – Issues**

29. Officers acknowledge that compulsory purchase powers should only be exercised if there is a compelling case in the public interest. Members should be sure that the purpose for which CPO powers are sought sufficiently justify interfering with the human rights of those with an interest in the land affected.
30. The background to this project has already been set out above. Since the original resolution in April 2013, officers have worked with Network Rail, engaged with members of the local community and leaseholders and occupiers with an interest in the site, with a view to obtaining interests by private treaty and securing a scheme which has the support of the local community. Consultation on the scheme is an on-going process and officers will continue to liaise with those with interests in the site to secure as many interests by agreement both up until the making of the CPO (if needed) and after the CPO has been made.
31. It is proposed that the CPO be made pursuant to Section 226(1)(a) of the Town and Country Planning Act 1990 (as amended). This power enables local authorities with planning powers to exercise their compulsory purchase powers if they think that acquiring the land in question will facilitate the carrying out of development, redevelopment or improvement on, or in relation to the land being acquired.
32. Circular 06/2004 titled "Compulsory Purchase and the Crichel Down Rules" provides guidance on the use of compulsory purchase powers. The Circular acknowledges that for the purpose of exercising S226(1)(a) it may not always be feasible or sensible to wait until the full details of the scheme have been worked up and planning permission obtained before proceeding with the order.
33. The use of Section 226(1)(a) is subject to subsection (1A) which provides that a local authority should not exercise the power to compulsorily acquire unless they



think the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion, or improvement of the economic, social or environmental well-being of the area - the benefit in this instance not being necessarily restricted solely to Peckham but also to the council's wider administrative area.

34. Officers are satisfied that the scheme underlying the CPO (as currently enshrined in the AAP) will contribute to the well-being of both the local area and deliver wider benefits for the Borough of Southwark. The first phase of redevelopment will secure significant economic investment in the Borough; it will facilitate investment by Network Rail to improve the station facilities and will create secure and attractive premises around the station forecourt, which in turn creates new employment and investment opportunities.
35. The first phase of redevelopment will significantly contribute to and promote the overall social and environmental well-being of the area through the creation of a new public square; a new public realm asset. The environmental enhancement delivered by the new public square and the opening up of the station frontage should contribute to a reduction/perception of crime, creating a safe and attractive environment and increasing footfall to the station. Further it is considered this this first phase of redevelopment will act as a catalyst to the other 3 phases coming forward for redevelopment, encouraging further investment which in turn will bring new economic opportunities with the environmental and social benefits that regeneration of the wider area will inevitably bring about.
36. As a result of identifying the separate stages/phases of development , it is proposed that the CPO boundary now only comprise the first stage of development (also being the area for which a planning application is currently being prepared) namely the area in front of the station (Area 1) edged black at Appendix 1.
37. The Iceland site (Area 2) is currently identified to be excluded from the CPO as the Leaseholder has proposed a transaction with Network Rail to redevelop the site. Should negotiation fail to reach a conclusion the area will be included within the CPO boundary or a separate order will be made.
38. Negotiations with Leaseholders and businesses has commenced with the first financial offers made by the council to the Head Lessees in Dec 2014. A program of valuation and condition surveys has begun and seeks to be completed by late spring 2015

#### **KEY ISSUES FOR CONSIDERATION**

39. LBS property and legal teams, supported by Carter Jonas Chartered Surveyors and Denton's legal team, has undertaken an initial referencing exercise to establish the number and nature of the legal interests and registered occupiers within the CPO boundary.
40. The proposed CPO boundary, Area 1 edged and hatched black on the plan LBS 3175 (layout 3) at Appendix 1; is understood to consist of 10 registered leasehold interests and approximately 25 businesses, including some owner occupiers.
41. Negotiations to acquire the long leasehold interests by agreement have been taking place in earnest since December 2014 as discussions had stalled in the past over the approach to the site acquisition. The council's aspiration is to deliver and complete the regeneration of this area without recourse to a CPO,

however due to the complex legal arrangements within the CPO boundary it is highly likely that an Order will be required to “mop up” any residual interests that are not registered, where the registered proprietor is absent / untraceable or any interests where agreement cannot be reached. Negotiation will continue with leaseholders on a voluntary basis whilst the order is made.

42. Area 2 – edged black on plan LBS\_3175 (Layout4) at Appendix 1 – will be acquired by way of a CPO should negotiations not reach a conclusion between the parties. There are four leasehold interests within this boundary (two head lease and two shorter occupier leases.)
43. The making, confirmation and implementation of a compulsory purchase order is therefore recommended to achieve certainty of acquiring all the interests and other property within the envisaged timescale and to mitigate risk to the project.

### **Community impact statement**

44. Gateway to Peckham forms a key component in delivering the aspirations and visions of the Peckham and Nunhead Area Action Plan. It is envisaged that investment and improvements to Peckham Rye Station and surrounds will have a positive long term impact.
45. There will continue to be consultation with the current business occupiers, public and key stakeholders involved in the project. An equalities impact assessment (EQIA) has been prepared and the recommendations implemented to mitigate any adverse affect on those with a protected characteristic.
46. Current businesses in occupation will benefit from, on going, free advice from GLE (business support specialist) throughout the process and will be entitled to paid-for representation from independent surveyors of their choice regarding the values and compensation entitlement under compulsory purchase legislation.
47. The council will ensure that all interests, regardless of age, disability, faith/ religion, gender, race, and ethnicity or sexual orientation will be treated fairly and equally throughout negotiations, and where appropriate, they will offered financial and business support as well as being advised of their legal rights in accordance with statutory principles and council policy.
48. Whilst the development will have a direct affect on the businesses relocated to enable the scheme the overall long term impact will be positive for the area. The public square and new buildings created, will as part of its design, fully accessible and have positive impacts on the communities of Peckham. These are outlined at 49
49. The project is considered to have benefits which are expected to affect people across a broader range of protected characteristic groups. The potential benefits of the redevelopment have been identified as:
  - new employment opportunities for local people;
  - new business opportunities,
  - provision of new housing; (Area 2)
  - improved accessibility of public realm and streetscape; and
  - improved safety.
50. The redevelopment of the area and the compulsory purchase order will dispossess some persons of their rights in land. This is a necessary process to ensure that redevelopment can proceed. The proposed new scheme has significant social economic and environmental benefits and accordingly, it is

considered acceptable to use compulsory purchase powers. Essentially where the proposals are in the public interest and where, as in this case, the advantages of regeneration substantially outweigh the disadvantages to those dispossessed.

51. All leaseholders and occupiers that are dispossessed regardless of age, disability, faith/religion, gender, race, and ethnicity or sexual orientation have been and will continue to be treated fairly and equally throughout negotiations, and where appropriate, offered financial and relocation assistance as well as being advised of their legal rights in accordance with statutory principles and council policy.
52. The regeneration of the area including the creation of a public square is considered to have benefits to not only the immediate community but also the borough as a whole in that it will act as a catalyst to further investment. It is therefore necessary to balance the benefits that could be provided by the proposed scheme against the possible impact to those with an interest in the affected land. In carrying out this exercise a degree of proportionality should therefore be adopted. The individual rights under the Human Rights Act 1998 and Equalities Act 2010 have accordingly been considered and commented further upon in the EQIA at Appendix 2 of this report
53. The furtherance of the regeneration will not negate the council's Diversity and Equal Opportunities Policies. Indeed in the long term it is anticipated the diversity of the area will be widened.

### **Equalities Analysis**

54. In January 2014 and February 2015, an Equalities Impact Assessment (EQIA) was undertaken by URS Global/AECOM to establish the composition of leaseholders/occupiers/businesses, how they might be affected by the regeneration project and how any adverse effects might be mitigated.
55. The attention of cabinet members is specifically drawn to the potential impacts (positive and negative) outlined in the EQIA at chapter 7 and 8. The updated Equalities Analysis is annexed to this report at Appendix 2 to make the cabinet aware of the issues which need to be considered in this particular case.
56. The Public Sector Equalities Duty brings together former race, disability and gender duties, and extends coverage to include age, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment. These are the grounds upon which discrimination is unlawful and are referred to as 'protected characteristics'.
57. The Duty requires public bodies to take proactive measures to address inequality. The purpose of these duties is to ensure that public bodies contribute to a wider government commitment to tackle persistent and long-standing issues of disadvantage and discrimination in society. It requires that in the exercise of all their functions, public bodies consider the need to eliminate discrimination, advance equality of opportunity and foster good relations.
58. The conclusions from the EQIA are outlined below at 59 – 62.
59. The redevelopment proposal is identified as giving rise to a number of positive equality impacts in relation to: an improved and more accessible public realm and streetscape; improved public safety; and potential new business opportunities, which could generate new employment opportunities for local people. People sharing protected characteristics are likely to be able to share in

these benefits. Southwark Council, as a public body, can maximise this sharing of benefits, through explicit measures in their approach to future letting of premises and overall site management to encourage equal opportunities.

60. It is considered that the redevelopment proposals do have the potential to give rise to negative equality impacts in terms of potential loss of existing employment and business opportunities, and, to some degree, to access to culturally-specific goods and services. BME-owned businesses and employees (particularly amongst people of Black African and Black Caribbean origin) are identified as particularly vulnerable to potential negative effects of the redevelopment and associated loss of existing business premises.
61. The new development will have a reduced amount of floor space available for businesses and there is current uncertainty regarding what proportion of existing businesses can expect to relocate into the new development. The potential implications of this may involve the closure of a number of BME owned businesses, which could result in job losses among people in BME groups.
62. Southwark Council has stated its commitment to enable businesses to remain local, unless they want to move elsewhere. Where businesses are able to relocate within the redevelopment or the local Rye Lane area, this would reduce the significance of negative effects for businesses and for customers from African, Afro-Caribbean and Asian backgrounds.
63. It is therefore crucial that the council and Network Rail give consideration to appropriate mitigation measures in relation to these potential negative equality impacts in progressing the design proposals and, in the case of Southwark Council in their role as planning authority, in its overall consideration of the scheme.
64. The EQIA recommendations for mitigation have formed part of the possession strategy currently being pursued by officers working to acquire the interests within the proposed CPO boundary. Occupiers will where possible be rehoused within the newly developed units. However it should be noted by cabinet that whilst the newly created space will provide new community and studio space on the upper floors, there will be significantly less ground floor retail than the existing accommodation.
65. Equalities issues have been kept under review, and will continue to be kept under review throughout the life of the project.

### **Human Rights**

66. The Human Rights Act 1998 prohibits public authorities from acting in a way which is incompatible with the European Convention on Human Rights. The council is therefore required to consider whether its actions would infringe the human rights of anyone affected by the making of the CPO. While certain Convention rights may be relevant to the CPO (such as the “right to peaceful enjoyment of possessions”) interference with such rights by public authorities will be justified where the public interest outweighs the interest of the private individual. It is considered that any interference with the Convention rights caused by the CPO will be justified and proportionate in the wider public interest in order to secure the economic, social, physical and environmental regeneration of the Peckham Rye Station area.

## Consultation

67. There has been extensive consultation on planning issues with the Co-Design process spanning over four months and resulting in an atlas of aspirations from the public.
68. The PNAAP was extensively consulted on between 2006 – 2014 with 86% of respondents in favour of the creation of a square.
69. Businesses have been consulted as part of the work on Co-Design and by GLE business support specialists. This support will be on-going for the duration of the project.

## Financial implications

70. All interests within the CPO boundary are commercial.
71. Leaseholders are entitled to the market value of their interest, a basic loss payment and other reasonable disturbance payments for being dispossessed as a natural and direct consequence of the CPO and redevelopment. The basic loss payment is calculated at 7.5% of the market value where the leaseholder. Capped at £75,000. In addition occupiers are entitled to an occupier's loss payment calculated at £25 per square metre, minimum of £2,500, maximum of £25,000.
72. Investment Leaseholders are also entitled to their reinvestment costs, being the costs of acquiring replacement premises including stamp duty and acquisition fees.
73. Relocation vs Extinguishment. Relocation costs are the reasonable costs in relocating the business to an alternative location and include removal costs and temporary loss of profits. Where a business is unable to relocate they may be able to claim for extinguishment of the business. This is normally calculated based on a multiplier of adjusted net profits.
74. Where possible the existing business tenants will be relocated within the new scheme or elsewhere.
75. The assessment of compensation is pursuant to, or undertaken in accordance with the Compensation Code which is a collection of statutes and case law, the principal legislation being the Land Compensation Act 1961 (as amended).
76. The current estimates of the likely compensation categories and values are as set out in the closed report.
77. Each item of a leaseholder's compensation schedule is validated on its relevance to the claim. The costs set out in the closed report are the best estimates that can be obtained using publically available information and that supplied by the main head leaseholders. The legal situation is complex with multiple layers of interests and ownerships.
78. The acquisition price may vary due to market conditions but the professional fees to acquire all remaining leaseholder units is agreed advance of an

acquisition to enable a degree in certainty for this cost.

79. A change in market values may see a corresponding change in basic loss payments to the leaseholder. A change in variables or input assumptions such as market value are a key determinant in assessment of overall compensation and to quantify incidental costs for purchasing a replacement property / relocation is very difficult without further financial information at this stage but these are kept constantly under review.
80. £10.0M from the councils capital programme is committed to the scheme together with the GLA grant funding of £5.2M a combined total of £15.2M.
81. The resultant commercial development will create an asset for the council and is estimated to have a market value in the region as set out in the closed report.
82. There is therefore sufficient funding already budgeted and allocated to finance the acquisition of the leasehold interests, associated disturbance costs and any third party interests and implement the scheme within the allocated budget. The budget also includes a sum for procedural and legal matters to enable the making, confirmation and implementation of the compulsory purchase order.
83. As the scheme progresses through the design stage and interests are acquired costs will be become fixed and the budget will be reviewed.
84. There will be staff resource costs in taking the Order[s] and project to completion, relocating tenants, and acquiring the leasehold interests; there is also provision for them in the overall project programme.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Finance and Corporate Services – Director of Legal Services**

85. The report at paragraph 33 refers to the appropriate power under section 226(1), Town and Country Planning Act 1990 which the council can seek to secure the compulsory purchase of land. It is considered that the redevelopment of land and rights in the surrounding area to Peckham Rye station to allow the provision of a new square will assist the council in promoting and improving the economic, social and environmental well being of the area and therefore there are adequate powers available to the council to acquire all the land and property interests within the area shown hatched black on the plan annexed either compulsorily or by agreement.
86. The council also has the power under section 227, Town and Country Planning Act or section 120(1), Local Government Act 1972 to acquire interests in this site by agreement with owners.
87. It is explained in the report that the area proposed for redevelopment is smaller than originally envisaged. The area does not include the Iceland site but otherwise negotiations with the relevant leaseholders and businesses have commenced and offers have been made. Reference is made in paragraph 41 of the report to the continuing negotiations.
88. Paragraph 15, Part 3C of the council's constitution reserves the right to cabinet to make decisions on the acquisition of land and property which involves the use

of compulsory purchase orders. However, this requirement does not apply where there is a scheme for acquisition which has already been agreed by members.

89. The financial implications of making the compulsory purchase order are set out in paragraphs 70 to 84 of the report. By agreeing to make a CPO, it is arguable that the council is becoming liable to claims from leaseholders and businesses to claims for blight under the Town and Country planning Act. If claims were made, this would actually reduce the council's commitment since the individual lessees would not be entitled for the full amounts of compensation which are outlined at paragraph 71.
90. Paragraphs 80 to 82 set out the funding which has already been committed for this redevelopment and it is therefore considered that a "scheme" within the meaning of paragraph 15, Part 3C of the Constitution has already been agreed and that officers have authority to negotiate and complete the acquisition of interests up to the budget levels already identified.

#### **Director of Finance & Corporate Services (FC14/057)**

91. This report is requesting cabinet to note the update on the Peckham Gateway Project and also seeking authority to start a compulsory purchase order (CPO) process. Full details are provided within the main body of the report.
92. The closed version of the report provides details of the estimated cost and it is noted that this can be contained within the available funding for this project.
93. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

#### **BACKGROUND PAPERS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Gateway to Peckham - Public square and station regeneration Cabinet report	Chief Executive's Department Southwark Council 160 Tooley Street London SE1 2QH	Tim Surry 0207 525 5378
<b>Link:</b> <a href="http://modern.gov.southwark.gov.uk/mglIssueHistoryHome.aspx?Id=50001766">http://modern.gov.southwark.gov.uk/mglIssueHistoryHome.aspx?Id=50001766</a>		

#### **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Site Plans – Project Areas
Appendix 2	Equalities Analysis (circulated separately)

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Mark Williams, Regeneration, Planning and Transport	
<b>Lead Officer</b>	Eleanor Kelly, Chief Executive	
<b>Report Author</b>	Tim Surry, Surveyor / Project Manager	
<b>Version</b>	Final	
<b>Dated</b>	5 March 2015	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Director of Legal Services	Yes	Yes
Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		5 March 2015



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TITLE. Peckham Rye Station.



DRAWING No. LBS\_3175(Layout3)

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Property Division

DATE. 23/2/2015

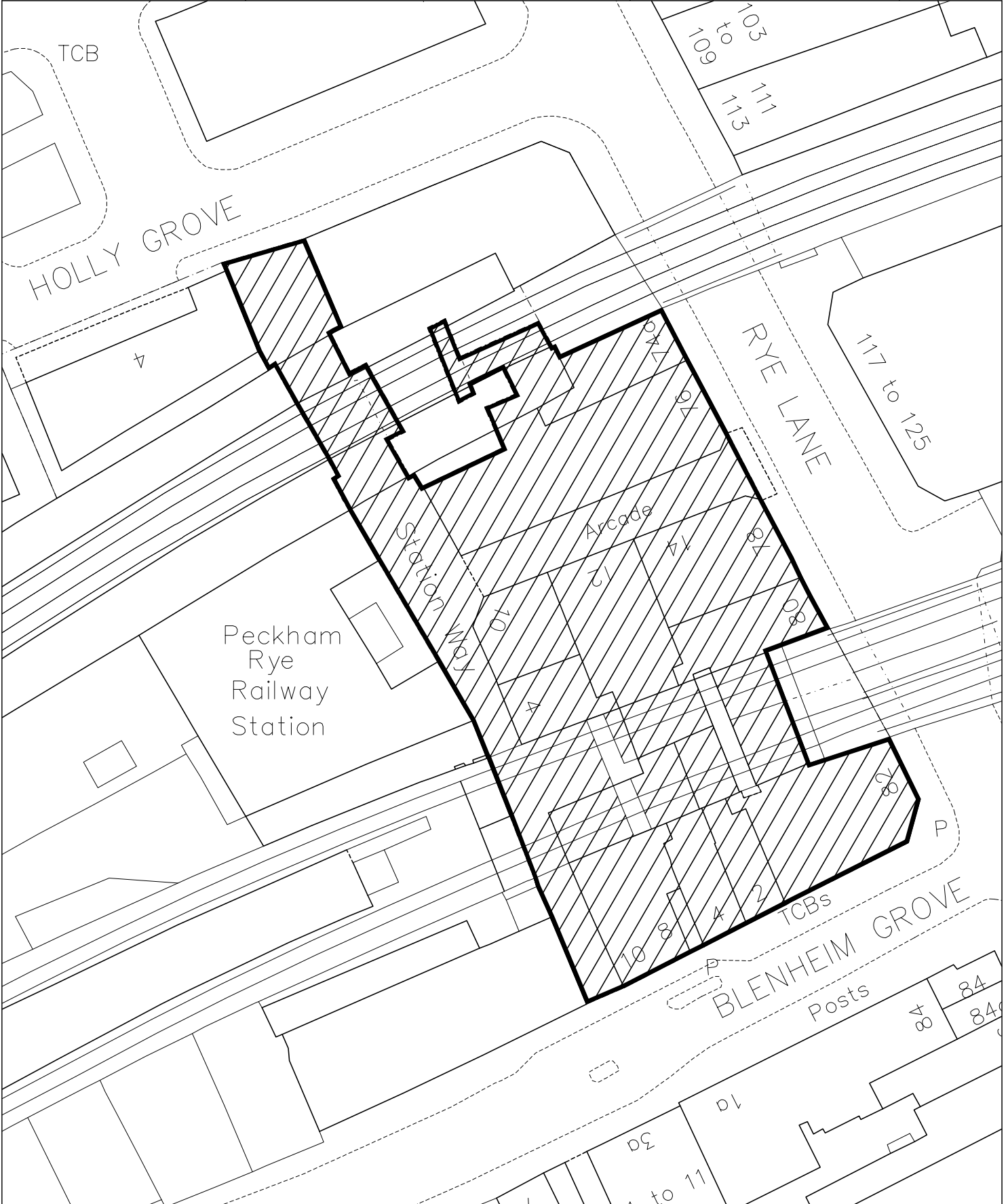
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TITLE. Peckham Rye Station.



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Property Division

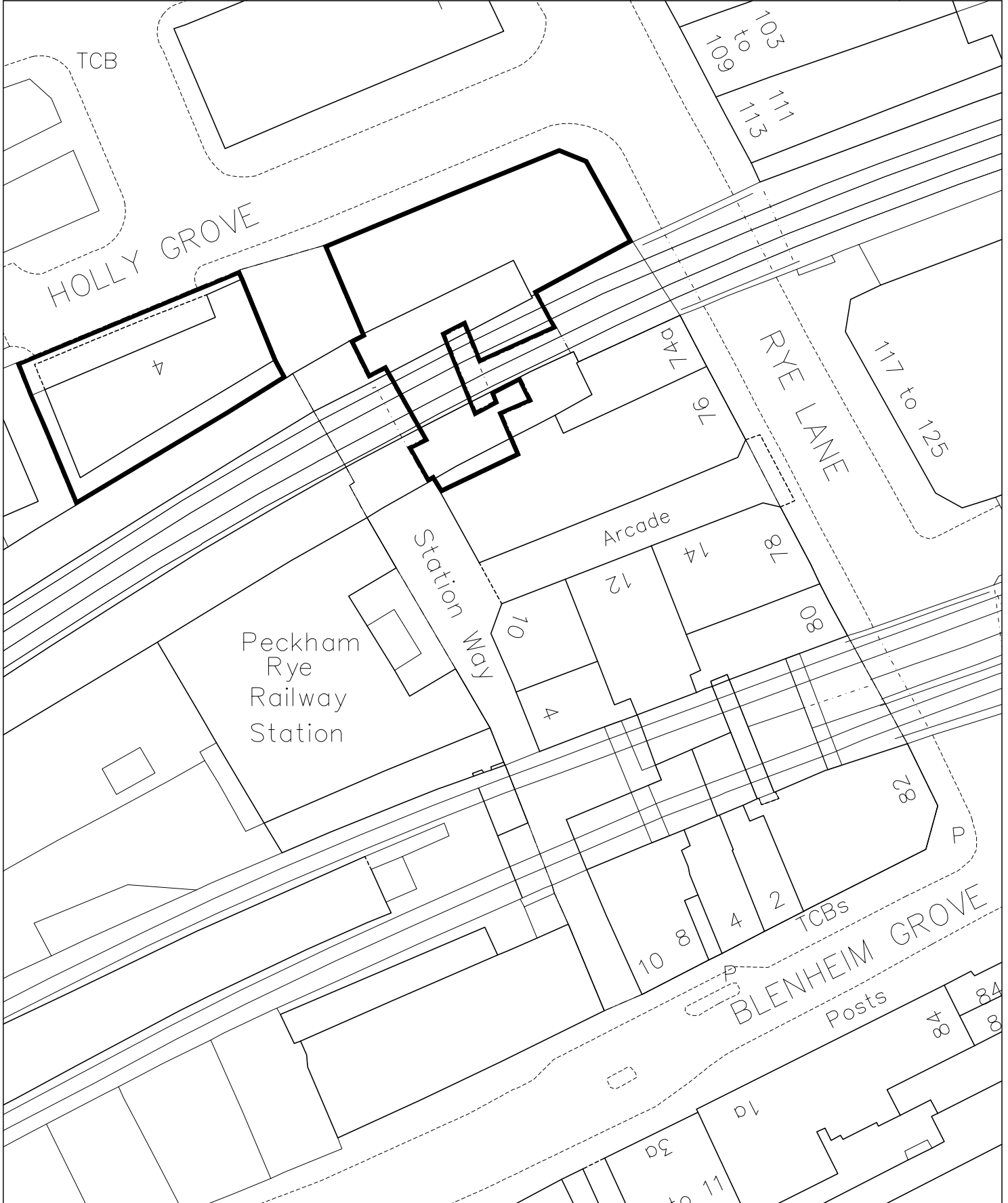
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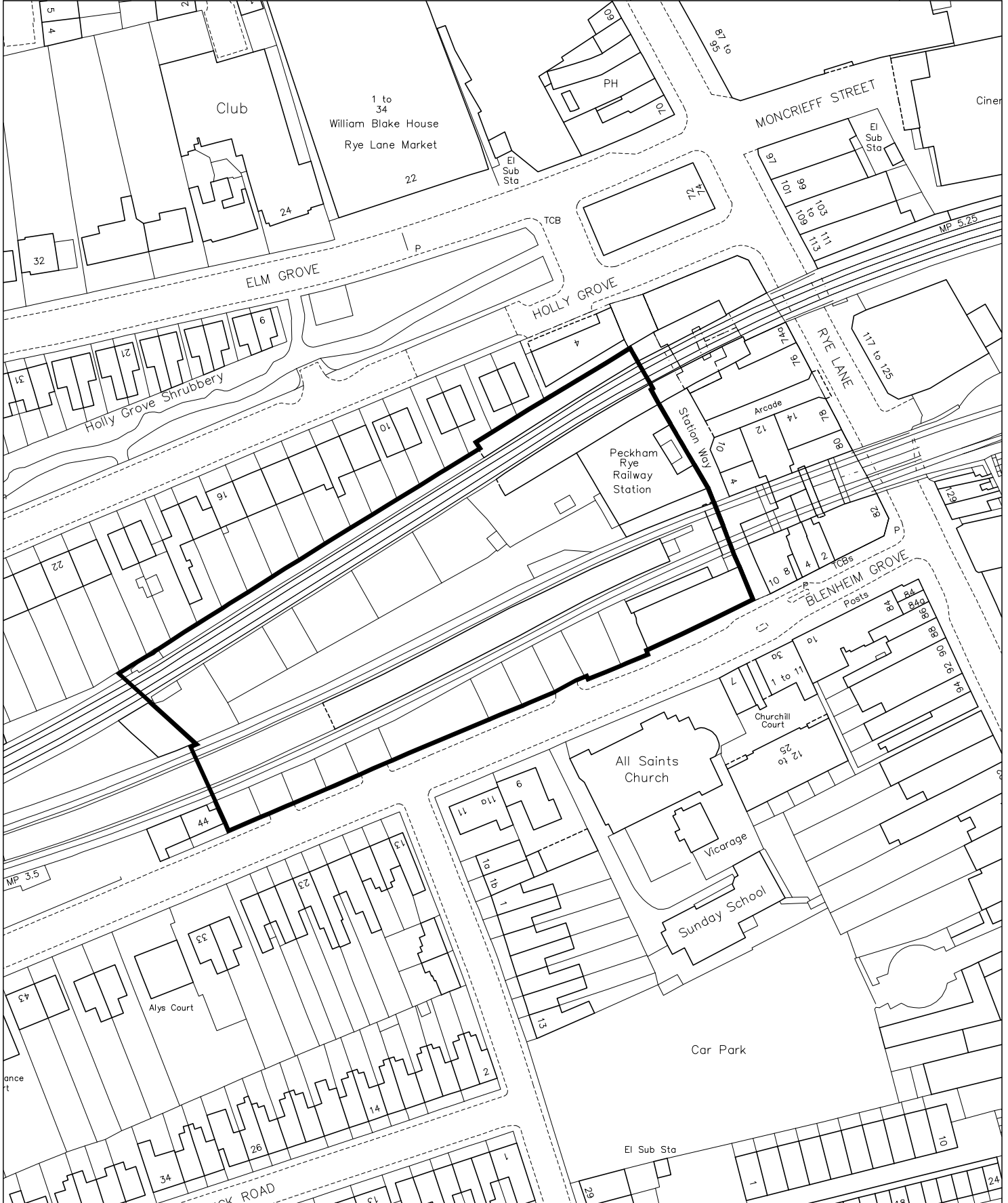
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<b>Item No.</b> 20.	<b>Classification:</b> Open	<b>Date:</b> 17 March 2015	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Motions Referred from Council Assembly	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Council Assembly	

## RECOMMENDATION

1. That the cabinet considers the motions set out in the appendices attached to the report.

## BACKGROUND INFORMATION

2. Council assembly at its meetings on Wednesday 26 November 2014 and 21 January 2015 agreed several motions and these stand referred to the cabinet for consideration.
3. The cabinet is requested to consider the motions referred to it. Any proposals in a motion are treated as a recommendation only. The final decisions of the cabinet will be reported back to the next meeting of council assembly. When considering a motion, cabinet can decide to:
  - Note the motion; *or*
  - Agree the motion in its entirety, *or*
  - Amend the motion; *or*
  - Reject the motion.

## KEY ISSUES FOR CONSIDERATION

4. In accordance with council assembly procedure rule 2.10(6), the attached motions were referred to the cabinet. The cabinet will report on the outcome of its deliberations upon the motions to a subsequent meeting of council assembly.
5. The constitution allocates responsibility for particular functions to council assembly, including approving the budget and policy framework, and to the cabinet for developing and implementing the budget and policy framework and overseeing the running of council services on a day-to-day basis.
6. Any key issues, such as policy, community impact or funding implications are included in the advice from the relevant chief officer.

**BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Council agenda	Report on the council's website	Lesley John Constitutional Team 020 7525 7228
<b>Link:</b> <a href="http://modern.gov.southwark.gov.uk/ieListMeetings.aspx?CId=132&amp;Year=0">http://modern.gov.southwark.gov.uk/ieListMeetings.aspx?CId=132&amp;Year=0</a>		

**LIST OF APPENDICES**

<b>Number</b>	<b>Title</b>
Appendix 1	Traffic and transport including cycling and public transport
Appendix 2	A fair deal for tenants and leaseholders
Appendix 3	Campaign against high stake gambling machines
Appendix 4	Towns against tax dodging
Appendix 5	Healthy and active communities
Appendix 6	Tackling empty homes in Southwark
Appendix 7	Local government devolution
Appendix 8	HIV testing

**AUDIT TRAIL**

<b>Lead Officer</b>	Ian Millichap, Constitutional Manager	
<b>Report Author</b>	Lesley John, Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	5 March 2015	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Chief Executive	Yes	No
Strategic Director of Environment and Leisure	Yes	No
Strategic Director of Housing and Community Services	Yes	No
Strategic Director of Children's and Adults Services	Yes	No
Director of Legal Services	Yes	No
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional Team</b>	5 March 2015	

**APPENDIX 1****Traffic and transport including cycling and public transport**

At council assembly on Wednesday 26 November 2014 a motion entitled 'traffic and transport, including cycling and public transport' was moved by Councillor Mark Williams and formally seconded by the Mayor. The motion was agreed and stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

1. That a well resourced, well maintained and accessible transport system can improve the lives of our residents, expand economic growth, improve public health and make the borough a more pleasant place to live. Council assembly recognises the need for a robust transport policy that enables people to travel around the borough and access services as freely and easily as possible, while at the same time minimising the environmental impact of transport and making the borough a safer, cleaner, healthier and more attractive place to live.
2. That council assembly believes that transport policy should reflect an emphasis on public transport, including improving walking and cycling routes, increasing bus capacity and improving transport links for people living in outreach areas of the borough, who are currently poorly served by National Rail.
3. That council assembly recognises the key role played by the council in promoting and encouraging sustainable forms of transport, such as walking and cycling, to improve health and air quality, and to improve the public realm, including streets, parks and open spaces.
4. That council assembly welcomes the progress made by the council to reduce traffic and encourage more environmentally friendly forms of transport. In particular, council assembly welcomes the launch of the new cycling strategy for consultation, which aims to both improve cycling experiences and increase the number of people cycling in the borough.

**Economic growth**

5. That council assembly recognises the potential for improvements in transport to unlock economic growth by increasing employment opportunities, opening up connectivity across the borough and improving links between Southwark and the rest of London.
6. That with a projected population increase of 19% over the next fifteen years, it is essential to ensure capacity and affordability of public transport in Southwark by maintaining and improving the existing transport network, to ensure that those who live and work in the borough are able to make journeys as freely and easily as possible.
7. That council assembly recognises that significant public transport improvements are needed in parts of the borough which are currently under-served and in need of additional investment.
8. That council assembly fully supports Labour's campaign to extend the Bakerloo line south of Elephant and Castle and welcomes the cross party support for this campaign. Council Assembly welcomes that after more than 100 years since the extension was first proposed, a consultation is now being undertaken by TfL to consider options for the route.

9. That council assembly supports the expansion of the Bakerloo line to serve both Camberwell and the Old Kent Road and calls on Cabinet to continue pushing for a two-branch extension with Transport for London (TfL) and the Mayor of London and to push for a more ambitious timetable for the delivery of the Bakerloo line extension.
10. That council assembly calls on the cabinet to support small businesses in Southwark and encourage people to shop locally by supporting the small business Saturday campaign, including suspending parking charges to encourage people to shop locally.

### **Public health**

11. That council assembly recognises the potential to improve public health through transport policy, by encouraging residents in the borough to make more active journeys walking and cycling. Council assembly believes that sustainable journeys should be prioritised and encouraged through transport policy.
12. That over 100 people in Southwark die prematurely each year from poor air quality. Council assembly supports the implementation of an Ultra Low Emissions Zone (ULEZ) in London, but believes that the current ULEZ proposal by TfL will not go far enough to improve air quality across the capital. Council assembly calls on the cabinet to press the Mayor and TfL to consider Labour's proposed revisions to the scheme, including widening the zone beyond the Central London Congestion Charge boundary, committing to levy increased charges for more polluting vehicles, introducing a scrappage scheme to provide targeted assistance to drivers and cleaning up the TfL bus fleet.
13. That council assembly welcomes the launch of the borough's new cycling strategy, which aims to increase the number and quality of cycling journeys made in Southwark. Council assembly welcomes the cabinet's commitment to more than double cycling in the next ten years by proving the infrastructure, education and information needed to get more people cycling. Council assembly also welcomes the fact that more money is being spent on cycling in Southwark than ever before, with £2 million funding committed for cycling over the next four years.
14. That council assembly calls on the cabinet to:
  - i. Continue investing in cycling, both to make roads safer and to promote cycling as a healthy mode of transport.
  - ii. Invest in cycling infrastructure, including:
    - Introducing new cycle routes
    - Closing off roads to motor vehicles to make routes more accessible for cyclists
    - Identifying areas where segregated cycle lanes could be introduced to improve cycle safety
    - Pressing TfL for an expansion of the cycle hire scheme.

### **Making the borough a more pleasant place to live**

15. That prioritising sustainable modes of transport and designing roads and public spaces to be more pedestrian friendly has a positive impact on the public realm, making the borough cleaner, greener and a more attractive place for people to live and work.
16. That closing off roads to enable children to play outdoors can promote healthy activities and bring together the community in a positive way. Council assembly calls

on the cabinet to continue to promote play streets, making it easier and safer for children to play outdoors in Southwark.

17. That council assembly welcomes the steps taken by the council to ensure we have a transport system that works for all, by improving disabled access and making Southwark an age friendly borough. Council assembly believes that significant access improvements are needed across the London transport system and welcome's the Mayor of London's recognition of the need for improved step free access in the London Infrastructure Plan. However, council assembly believes that the Mayor's commitment to step free access in two thirds of stations by 2050 is not sufficient, and calls on the cabinet to push the Mayor of London to commit to a more ambitious target of step free access across the London transport network by 2030.
18. That council assembly welcomes the council's ambitious step to become a 20mph borough, making Southwark a pioneering council in London committed to reducing road casualties and creating a more pleasant environment for people in the borough.
19. That council assembly recognises the potential for transport improvements to transform communities; making improvements to streets and public spaces by opening up areas and making them even better places to live, work and visit.
20. That council assembly welcomes the cabinet's commitment to transform the Elephant and Castle area through one of the biggest regeneration projects in London. Council assembly calls on the cabinet to work with TfL to deliver proposals to remove the northern roundabout and create a major new public space, to improve walking and cycling routes and to make the area feel cleaner and greener.
21. That council assembly welcomes the cabinet's commitment to transform the Old Kent Road, making it more pleasant for pedestrians and cyclists. Council assembly welcomes the designation of the Old Kent Road as an opportunity area, but recognises that the area is desperately in need of better public transport links. Council assembly calls on the cabinet to lobby the Mayor of London for infrastructure improvements, improved public transport connections and the extension of the Bakerloo line to support the development of the area. Council assembly welcomes the consultation on options for the area.



**APPENDIX 2****A fair deal for tenants and leaseholders**

At council assembly on Wednesday 26 November 2014 a motion entitled 'a fair deal for tenants and leaseholders' was moved by Councillor Hamish McCullum and seconded by Councillor James Okosun. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

1. That council assembly notes that:

- i) This administration wants to make Southwark a place we can all be proud of. The council is committed to tackling the borough's biggest problems and making a real difference to the quality of life of local people. As the largest local authority landlord in London, our housing department has a key role in achieving this aim.
- ii) The council provides a range of housing services to help make our residents' homes cleaner, safer and more modern and to keep neighbourhoods clean and safe. Estate cleaning and grounds maintenance is inspected every 6 weeks by housing officers and tenant representatives and performance is consistently good.
- iii) Last year the council carried out 3,149 estate inspections, to ensure services are being provided to a good standard. 97% of estates were rated good or excellent. 99.98% of bin collections are done on time and in the last year the council carried out:
  - 99.6% of graffiti removals within 24 hours
  - 99.6% of fly tipping removals within 24 hours
  - 99.8% of dog fouling removals within 48 hours.
- iv) This administration has driven up standards in repairs and is taking innovative steps to improve the quality of our services. Since 2010 satisfaction with repairs has increased from 72% to 82% and 82% of repairs are now completed right first time, 14% higher than 2010.
- v) This administration wants to go even further than this to ensure high quality service. Council assembly welcomes the cabinet's commitment in the draft Council Plan to:
  - Introduce resident inspectors - putting residents in control of repair quality
  - Introduce deep cleaning of estates, to remove built up dirt and keep estates clean
  - Introduce an independent leaseholder management company to empower the local community to hold the council properly to account and ensure leaseholders know they are getting a fair deal.
- vi) The council's vision is to make Southwark's homes and neighbourhoods great places to live, where good quality services are delivered right first time. In many areas of the service the council does just that, but this administration is always looking for ways to improve the services that the council provides to our

residents. When things go wrong the council will look at compensation on a case by case basis.

2. That council assembly believes that the council should continue to work with residents to improve services, rather than expecting residents to put up with poorer quality homes in exchange for compensation.
3. That council assembly calls on the cabinet to prioritise getting things right first time and to continue to invest in improvements to ensure a high quality service is delivered to all residents.

**APPENDIX 3****Campaign against high stake gambling machines**

At council assembly on Wednesday 26 November 2014 a motion entitled 'campaign against high stake gambling machines' was proposed by Councillor Neil Coyle and formally seconded by Councillor Stephanie Cryan. The motion was agreed and stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

1. That council assembly reiterates its concern about the proliferation of high street betting outlets in Southwark which, like for many other London boroughs, is an issue of grave concern to the council and local residents.
2. That council assembly notes that there are more than twice as many betting shops in the poorest 55 boroughs compared with the most affluent 115, equivalent by population. Council assembly also notes the concerns of the Gambling Commission that fixed odds betting terminals (FOBTs) present a high inherent money laundering risk.
3. That council assembly regrets that despite this evidence that the most vulnerable are being targeted, the government has refused to act.
4. That council assembly condemns Liberal Democrat and Tory MPs, including government minister and local MP Simon Hughes, for voting against Labour's motion calling for local authorities to be given new powers to restrict the growth of FOBTs, despite publicly backing campaigns to curb high stakes gambling machines.
5. That council assembly notes that Labour's proposal have been welcomed by the Campaign for Fairer Gambling, which praised Labour for 'putting pressure on the government to take action sooner rather than later'.
6. That council assembly calls on the government to back Labour's proposals to enable local authorities to curb the growth of FOBTs and to establish a separate planning class for betting shops.
7. That council assembly calls on cabinet to work with The London Borough of Newham and other London councils to make a submission to the government under the Sustainable Communities Act 2007 to reduce the maximum bet per spin on FOBTs in on street betting shops from £100 to £2, bringing them in line with other gambling machines.
8. That council assembly calls on Liberal Democrat MPs and government ministers, including Simon Hughes MP, to demonstrate their support for the campaign against high stake gambling machines by backing Labour councils' submission to reduce the maximum bet per spin on FOBTs and to introduce a separate use class for betting shops, instead of simply voting on the issue at an party conference that no one cares about.

**APPENDIX 4****Towns against tax dodging**

At council assembly on Wednesday 26 November 2014 a motion entitled 'towns against tax dodging' was proposed by Councillor Karl Eastham and formally seconded by Councillor Sarah King. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

1. That council assembly believes:
  - i. Southwark as a local authority has a duty to provide the best possible public services.
  - ii. The council's ability to provide quality local services would be significantly enhanced by the increased revenues from the government tackling tax dodging.
  - iii. All who benefit from public spending should contribute their fair share.
  - iv. The UK must take a lead role in creating a fairer tax system and combating tax dodging
2. That council assembly notes:
  - i. It has been estimated that the UK Treasury loses as much as £12 billion to tax dodging by multinational companies every year. Developing countries lose three times more to tax dodging than they receive in aid each year - enough to give a basic education to the 57 million children currently missing out.
  - ii. The UK has a particular responsibility to end tax dodging, as it is responsible for 1 in 5 of the world's tax havens in the British Overseas Territories and Crown Dependencies.
  - iii. The use of tax havens by UK companies is rife, with 98 of the FTSE 100 companies routinely using tax havens.
  - iv. Large multinational companies pay as little as 5% in corporate taxes globally, while smaller businesses pay up to 30%.
3. That therefore council assembly calls on cabinet to support ActionAid's Towns Against Tax Dodging campaign and to support the motion:
 

"While many ordinary people face falling household income and rising costs of living, some multinational companies are avoiding billions of pounds of tax from a tax system that fails to make them pay their fair share. Local governments in developing countries and the UK alike would benefit from a fairer tax system where multinational companies pay their fair share, enabling authorities around the world to provide quality public services. The UK government must listen to the strength of public feeling and act to end the injustice of tax dodging by large multinational companies, in developing countries and the UK."
4. That council assembly notes the work of all parties in government to start to tackle tax avoidance since 2004.

5. That council assembly acknowledges that government action since 2010 has helped HMRC collect considerable additional tax revenue by:
  - Increasing the number of prosecutions for tax crimes
  - Closing tax loopholes
  - Improving tax data systems to reduce fraud
  - Collecting tax through deals with tax havens like Switzerland, Liechtenstein and the Channel Islands.
  
6. That council assembly agrees that because of the increasingly global nature of trading operations and finance, tax avoidance should most effectively be tackled at a national and international level.

## APPENDIX 5

**Healthy and active communities**

At council assembly on Wednesday 21 January 2015 a motion entitled 'healthy and active communities' was moved by Councillor Barrie Hargrove and formally seconded by the Mayor. The motion was agreed and referred to the cabinet as a recommendation.

**RECOMMENDATION**

1. That everyone in our borough should have the opportunity to lead a healthy and active life. As a local authority Southwark Council is supporting local residents to be healthy and active by:
  - 1) Committing to make swim and gym use free for all Southwark residents in council leisure centres to ensure that that cost is not a barrier preventing people in Southwark from getting fit and healthy. This groundbreaking initiative will be particularly targeted at those who would benefit most from free swimming and gyms, including residents with ill health, children and young people, older people, and those with disabilities.
  - 2) Giving free healthy school meals to all primary school children in Southwark, despite four years of opposition from Liberal Democrat councillors, saving parents £340 a year for each of child, and extending free fruit to all primary school pupils as a healthy morning snack.
  - 3) Investing in our parks and open spaces and bringing even more of our parks up to green flag standards.
  - 4) Delivering a cycling strategy to improve cycle take up and safety in the borough.
  - 5) Doubling the number of free NHS health checks to catch problems like heart disease and diabetes.
  - 6) Providing a wide range of sports provision, including:
    - Free accredited training for Southwark residents
    - Equipment grants for clubs and coaching courses to increase sport participation for young people
    - A wide range of disability sport opportunities and sportability grants to increase opportunities for disabled people in sport and physical activity
    - A large programme of older adult classes
    - Sports activities for women and girls
    - Free community sport hours at leisure centres and parks across the borough.
  - 7) Investing in sports infrastructure, including the state of the art BMX track in Burgess Park, reinstating Southwark Park athletics track, and new leisure centres at Elephant and Castle and Canada Water.
  - 8) Helping residents in Southwark to support each other to lead healthy and active lives, by working with partner organisations, including Volunteer Centre Southwark, Community Action Southwark and Southwark Arts Forum, to make it easier to volunteer and to encourage more people in Southwark to volunteer.

2. That there are a number of barriers that can prevent people from being healthy and active, including finance, time, work, ill health, disability or access to health, sport and leisure services. Council assembly welcomes this administration's work to remove these barriers and support our residents to become healthy and active. However, council assembly is concerned that the government is making it harder for people to be healthy and active by:
  - 1) Overseeing an increase in GP waiting times, cancelled operations and delays in treatments.
  - 2) Hitting 3,500 families in the borough with the bedroom tax, making it harder to make ends meet and forcing people into debt for the first time.
  - 3) Imposing harsh welfare cuts and forcing huge increases in the number of families in Southwark relying on food banks.
3. That council assembly calls on the cabinet to continue doing everything possible to support local residents to be healthy and active members of the community and to remove the barriers currently preventing some residents from leading healthy and active lives.

### Tackling empty homes in Southwark

At council assembly on Wednesday 21 January 2015 a motion entitled 'tackling empty homes in Southwark' was moved by Councillor Adele Morris and seconded by Councillor Ben Johnson. The motion was subsequently amended and the amended motion stands referred to the cabinet as a recommendation.

#### RECOMMENDATION

1. That council assembly:
  - 1) Notes the projected rise in the borough's population within the next twenty years and the need to ensure sufficient housing as part of the borough's housing strategy and the new Southwark Plan.
  - 2) Notes that Southwark has one of the strongest records in London for delivering new homes, with more affordable homes being delivered over the last 3 years than any other London borough.
  - 3) Welcomes the administration's commitment to build 11,000 new council homes, with the first 1,500 to be delivered by 2018.
2. That council assembly also:
  - 1) Agrees that minimising the number of empty homes in the borough will also be a key way of ensuring the maximum number of homes for Southwark residents.
  - 2) Notes recent media reports of some other inner London boroughs where up to one third of new developments are said to be left empty as 'buy to leave' investment opportunities.
  - 3) Welcomes the new powers given to local authorities by the government to charge additional council tax for second and long-term empty homes and notes that Southwark was one of the first local authorities to use these powers.
  - 4) Notes, however, that minimising the number of empty homes in the borough on its own will not meet the growing demand for housing, which will require more homes to be built across the borough, particularly affordable homes.
3. That council assembly therefore calls on the cabinet to:
  - 1) Identify ways the council's planning powers could be used to ensure future new homes in Southwark do not stay empty for more than three months.
  - 2) Increase the number of existing empty homes in the borough that are charged council tax by reviewing the current council tax exemptions on empty homes.
  - 3) Support calls for the qualifying period for charging the empty home premium to be reduced from two years to one and for the amount to be increased from 150% to 200% council tax.
  - 4) Continue to build more homes of every type in Southwark, including council homes at council rents.



### Local government devolution

At council assembly on Wednesday 21 January 2015 a motion entitled 'local government devolution' was proposed by Councillor Rebecca Lury and formally seconded by Councillor Kieron Williams. The motion was agreed and stands referred to the cabinet as a recommendation.

#### RECOMMENDATION

1. That council assembly believes that local government has significant potential to shape outcomes for residents and to positively change the lives of people in our borough. Therefore, council assembly believes that local government is best placed to deliver services to residents to meet local need.
2. That local government has proved itself as the most efficient part of government. Local authorities are continuing to delivering services, balance budgets and grow local economies while at the same time making huge savings, following government cuts of up to 30% of councils' budgets.
3. That the devolution of public health to local authorities has been a welcome first step towards delivering better health outcomes and a more joined up approach to health and social care. Council assembly notes the efforts of this administration to put public health in Southwark at the front and centre of the council's priorities in every area, including transport, housing, leisure and environment.
4. That council assembly believes giving local government greater control over health and welfare spending has the potential to tackle health inequalities locally, to deliver better services and to save taxpayers money.
5. That council assembly calls on cabinet to work with other London boroughs and the Mayor of London to lobby government to be less centralist and to introduce greater devolution to local authorities in London. Council assembly further calls on cabinet to write to the Secretary of State for Health and the Secretary of State for Work and Pensions to call for the devolution of greater health and welfare powers to local government, in order to improve service delivery and local accountability.

**APPENDIX 8****HIV testing**

At council assembly on Wednesday 21 January 2015 a late motion entitled 'HIV testing' was proposed by Councillor David Noakes and formally seconded by Councillor Dan Garfield. The motion was agreed and stands referred to the cabinet as a recommendation.

**RECOMMENDATION**

1. That Southwark Council:
  - i. Recognises the importance of local action in coordinating and commissioning accessible and effective HIV testing to reach the undiagnosed and reduce late HIV diagnosis.
  - ii. Recognises that Southwark has a high prevalence of HIV (over 2 diagnosed per 1,000 residents) and commits to strengthening its own provision of HIV testing services through working with local NHS partners, HIV charities and patient groups.
  - iii. Recognises that late HIV diagnosis is a Public Health Outcomes Indicator in the Public Health Outcomes Framework.
  - iv. Recognises the volume and quality of public health and local government guidelines and performance indicators designed to support local authority implementation and monitoring of appropriate and effective testing guidelines.
2. That the council further notes:
  - i. That an estimated 100,000 people were living in England with HIV in 2012; 22% were unaware of their status.
  - ii. That there is an impact of late diagnosis on individual health, public health and health budgets. Late diagnosis increases the likelihood of the need for complex and expensive treatment and the risk of onward transmission to others. 47% of people diagnosed with HIV in 2012 were diagnosed late (with a CD4 count <350mm<sup>3</sup>).
  - iii. That if diagnosed early, put on a clear treatment pathway and guaranteed access to antiretroviral therapy (ART), people living with HIV can expect to have a near-normal life expectancy and live healthy and active lives.
3. That recognising the weight of evidence in favour of expanding local HIV testing services, Southwark Council:
  - i. Resolves to:
    - Act to halve the proportion of people diagnosed late with HIV (CD4 count <350mm<sup>3</sup>) in Southwark by 2020.
    - Act to halve the proportion of people living with undiagnosed HIV in Southwark by 2020.
  - ii. Further resolves to:

- Ensure that rates of late diagnosed HIV are included as an indicator in its Joint Strategic Needs Assessment (JSNA).
- Ask the Director of Public Health to provide a report outlining what needs to be done locally in commissioning and provision of services in order to halve late diagnosed and undiagnosed HIV by 2020.
- Become a supporter of the Halve It Coalition by contacting the Halve It secretariat ([info@halveit.org.uk](mailto:info@halveit.org.uk)) informing them of this resolution and by agreeing to be listed as a Halve It coalition supporter.

**CABINET AGENDA DISTRIBUTION LIST (OPEN)****MUNICIPAL YEAR 2014/15**

**NOTE:** Original held by Constitutional Team; all amendments/queries to  
Paula Thornton/Virginia Wynn-Jones Tel: 020 7525 4395/7055

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